



FDC Limited

MANUFACTURERS & EXPORTERS OF FOODS, DRUGS & CHEMICALS

FDC/SEC/006/15-16

May 29, 2015

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir / Madam,

Ref.: SEBI (Prohibition of Insider Trading) Regulations, 2015

This is to inform you, that the Board of Directors at its meeting held on May 27, 2015 has approved the following:

1. Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
2. Code of Conduct for internal procedures and to regulate, monitor and report trading by Insiders as per Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Kindly take the above on record.

Thanking you,

Yours truly,

For **FDC LIMITED**

Company Secretary

Encl: a/a



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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

This document forms the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code") adopted by FDC Limited (FDC). This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Principles of Fair Disclosure adopted by FDC are as follows:

- 1) To promptly make public disclosure of unpublished price sensitive information that would impact price discovery. Such disclosures are made no sooner than credible and concrete information comes into being in order to make such information generally available.
- 2) To make disclosures of unpublished price sensitive information, as and when made, in a universal and uniform manner through forums like widely circulated media and / or through stock exchanges where its equity shares are listed. Selective disclosure of unpublished price sensitive information is to be avoided.
- 3) The Chief Financial Officer serves as its Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- 4) To promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise if at all, to make such information generally available.
- 5) To provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 6) To ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- 7) To publish proceedings of meetings with analysts and of other investor relations conferences on its official website www.fdclimited.com to ensure official confirmation and documentation of disclosures made therein.
- 8) To handle all unpublished price sensitive information on a need-to-know basis only.



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



Introduction:

Insider Trading means dealing in Securities of a Company by its Directors, Employees or other Insiders based on unpublished Price Sensitive Information. Such dealing by Insiders erodes the investors' confidence in the integrity of the management and is unhealthy for the capital markets.

The Securities and Exchange Board of India (SEBI) in its endeavor to protect the interest of the Investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations 2015 under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 15th May, 2015 and the same were made applicable to all the Companies whose shares are listed on Indian Stock Exchanges.

In compliance with the above requirements, FDC Limited ("the Company") initially implemented a Code of Conduct for Prevention of Insider Trading which was amended from time to time in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations 1992.

The New Code of Conduct for Prevention of Insider Trading (hereinafter referred to as "the Code") is being introduced to replace the earlier Code of Conduct for Prevention of Insider Trading (effective 15th May, 2015) to enhance the standards of governance and to account certain changes in the organisation structure.

1. Definitions as used in this Code:

- 1.1 **"Act"** means the Securities and Exchange Board of India Act, 1992.
- 1.2 **"Board"** means the Securities and Exchange Board of India.
- 1.3 **"Code"** or **"Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Insider Trading of FDC Limited as amended from time to time.
- 1.4 **"Company"** means FDC Limited.
- 1.5 **"Compliance Officer"** means any senior officer who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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 Company.
- 1.6 **"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 recognised 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;
- 1.7 **"Dealing in securities"** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company by any person either as principal or agent or whether singly or jointly with any other person.
- 1.8 **"Designated Employee(s)"** shall include Officers comprising of top three tiers of the Company i.e.:-
- a) Chief Executive Officer
 - b) Chief Financial Officer
 - c) Company Secretary
 - d) Presidents and Vice Presidents
 - e) General Managers heading the Personnel, Logistics and Purchase Department
 - f) Such employees of the Finance, Accounts, Costing and Information Technology Department as may be designated under the Code from time to time.
 - g) All employees in the Legal & Secretarial Department
 - h) Permanent Invitee/Invitees to the Board and Committee Meetings of the Board.
 - i) Such other persons as may be designated from time to time.
- 1.9 **"Director"** means a member of the Board of Directors of the Company.
- 1.10 **"Employee"** means every employee of the Company including the Directors in the employment of the Company.
- 1.11 **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.



1.12 **"Identified Account"** means any security account related or controlled by an Insider including:

- a) Personal accounts of Insiders
- b) Accounts held by or for the benefit of the family members of Insider.

These requirements do not apply to accounts in which the Insiders have been determined to have only a verifiable arm's length beneficial interest, such as certain trusts, provided that the Insiders do not influence or control investment policy or decisions of such accounts in any way, whether directly or indirectly.

1.13 **"Immediate Relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, or consults such person in taking decisions relating to trading in securities;

1.14 **"Insiders"** will include the following employees/officers of FDC Limited

- a) All members of the Board of Directors
- b) Chief Executive Officer
- c) Chief Financial Officer
- d) Company Secretary
- e) Presidents and Vice Presidents
- f) General Managers heading the Personnel, Logistics and Purchase Department
- g) Such employees of the Finance, Accounts, Costing and Information Technology Department as may be designated under the Code from time to time.
- h) All employees in the Legal & Secretarial Department
- i) Family members of the aforesaid persons.

1.15 **"Key Managerial Person"** means person defined in Section 2(51) of the Companies Act, 2013.

1.16 **"Officer"** includes any Director, Manager or Secretary or any person in accordance with whose directions the Board of Directors or any one or more of the Directors is or are accustomed to act.

1.17 **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

1.18 **"Regulations"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 and any amendments thereto.

1.19 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual Fund.

1.20 **"Specified Persons"** means the Directors, Connected Person, the Insiders, the Designated Employees and the Promoters and Immediate Relative's are collectively referred to as Specified Persons specified by the Board in writing;

1.21 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;



1.22 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

1.23 **"Trading day"** means a day on which the recognized stock exchanges are open for trading;

1.24 **"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 including but not restricted to, information relating to the following: -

- a) Financial results;
- b) Dividends;
- c) Change in capital structure;
- d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- e) Changes in key managerial personnel; and
- f) Material events in accordance with the listing agreement.

Words and expressions used and not defined in this Policy shall have the same meaning as contained in the SEBI (Prohibition of Insider Trading) Regulations 1992 as amended on 15th January, 2015 or SEBI Act, 1992 or the Companies Act, 2013.

2. Appointment and Role of Compliance Officer

Ms. Varsharani Katre, Company Secretary and Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors. She shall assist all employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations 2015 and the Company's Code of Conduct.

3. Preservation of Price Sensitive Information

The Directors/Designated Employees/Officers shall maintain the confidentiality of all Price Sensitive Information. Directors/Designated Employees/Officers shall not pass on such information to any persons directly or indirectly by way of making recommendation for the purchase or sale of securities. Following practices should be followed in this regard:

3.1 **Need to Know:** Unpublished Price Sensitive Information is to be handled on a "need to know basis." i.e., Unpublished Price Sensitive should be disclosed only to those within the Company who need the information to discharge their duty and responsibility and in whose possession such information will not give rise to a conflict of interest or appearance of misuse of the Information.

3.2 **Limited access to confidential information:** Files containing confidential information shall be kept secure. Computer files will have adequate security of login password etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.



4. Prevention of Misuse of Unpublished Price Sensitive Information.

All Directors, Officers, Designated Employees and their family members shall be governed by an internal code of conduct governing dealing in securities:

4.1 Trading Plans: - An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

4.2 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) 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.

4.3 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of these regulations 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.

4.4 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 to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the Trading Plan shall not be commenced if at any time of formulation of the plan, the insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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



5. Trading Restrictions

All Directors, Officers, Designated Employees and their family members shall be subject to trading restrictions as enumerated below:

5.1 Trading Window

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities. The Directors, Officers and Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

5.2 Trading Window and Window Closure:

- a) The trading period, i.e. the trading period of the stock exchanges, called 'trading window' is available for trading in the Company's securities.
- b) The trading window shall be, inter alia, closed 7 days prior to and will end 48 hours after the unpublished price sensitive information is published.
- c) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period.
- d) All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

The trading window shall be, inter alia, closed at the time of:-

- a) Declaration of Financial results (quarterly, half- yearly and annual)
- b) Declaration of dividends (interim and final)
- c) Issue of securities by way of public/rights/bonus, etc. buy back of securities
- d) Any major expansion plans or execution of new projects
- e) Disposal of whole or substantially whole of the undertaking
- f) Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities.
- g) Any significant changes in policies, plans or operations
- h) Amalgamations, mergers or takeovers
- i) Commencement of any new commercial production/commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year.
- j) Developments with respect to changes in pricing/ realization on goods and services arising out of changes in government policy.
- k) Litigation/ Dispute with a material impact.
- l) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.



- 5.3 The trading window shall be opened 24 hours after the Price Sensitive information is made public
- 5.4 All Directors, Officers, Designated Employees of the Company shall conduct all their dealings in the Securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited period.
6. **Pre Clearance of Trades:** All Directors, Officers, Designated Employees and their family members who intend to deal in the FDC's securities of the Company exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower, should pre clear the transactions as per pre dealing procedures given hereinafter.
- 6.1 An application may be made to the Compliance Officer in **Form A & Form B** indicating the estimated number of securities that the Directors, Officers, Designated Employees and/or their family members intends to deal in alongwith the undertaking as enclosed herewith as **Form C**. The Compliance officer shall pre clear the application within 5 days in **Form D**.
- 6.2 All Directors, Officers, Designated Employees and/or their family members shall execute their order in respect of securities of FDC within 7 trading days after the approval of pre clearance is given by the Compliance Officer. If the order is not executed within the 7 trading days after the approval is given, the Directors, Officers, Designated Employees and their family members shall pre clear the transaction again. All Directors, Officers, Designated Employees and their family members shall give to the Compliance Officer the confirmation of deal in the format as given in **Form E** within 5 days of the completion of the deal.
- 6.3 All Directors, Officers, Designated Employees and their family members who buy or sell any number of securities of FDC shall not enter into an opposite transaction i.e. sell or buy any number of securities of FDC during the next six months following the prior transaction. All Directors, Officers, Designated Employees and their family members shall also not take positions in derivative transactions in the shares of the company at any time. All Directors, Officers, Designated Employees and their family members shall hold their investments in securities of FDC for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall apply to subscription in the primary market. In the case of IPO the holding period shall apply to subscription in the primary market. In the case of IPOs, the holding period would commence when the securities are actually allotted.
- 6.4 In case of sale of securities is necessitated by personal emergency the Compliance Officer may waive the holding period after recording in writing in this regard. All Directors, Officers, Designated Employees and their family members are required to make application of waiver of the minimum holding period as per the format given in **Form F** to the Compliance Officer.
7. **Prohibition on Dealing, Communicating or Counselling on matters relating to Insider Trading**
- No Insider shall:
- 7.1 Either on his own behalf or on behalf of any person, deal in securities of the Company when in the possession of any unpublished price sensitive information;



- 7.2 Communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However, these regulations shall not be applicable to any communication required in the ordinary course of business or under any law.

8. Reporting Requirements for transaction in securities.

8.1 Initial disclosure:

All Directors, Officers, Designated Employees of FDC shall be required to forward the details of their securities transactions including the statement of their family members to the Compliance Officer at the time of joining within 2 working days of his becoming a director, officer, designated employee in **Form G**.

Any person who holds more than 5% shares or voting rights in FDC securities shall disclose to the Compliance Officer the number of shares or voting rights held by such person on becoming such holder within 2 working days of the receipt of allotment or the acquisition of shares or voting rights as the case may be in **Form H**.

8.2 Continual disclosure:-

Any person who holds more than 5% shares or voting rights in FDC securities shall disclose to the Compliance Officer in **Form I**, the number of shares or voting rights held and change in their shareholding or voting rights, even such change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

Any person who is the Director or officer of the Company shall disclose to the Company and the stock exchanges in **Form J**, the total number of shares or voting rights, if there has been a change in such holdings of such person since the last disclosure made to the Company and such change exceeds Rs.5 lacs in value or 25,000 shares or 1% of the total shareholding or voting rights whichever is lower.

The above disclosures shall be made within 2 working days of :

- a) the receipt of the information of allotment of shares, or
- b) the acquisition or sale of shares or voting rights, as the case may be.

8.3 Yearly disclosure:-

All Directors, Officers, Designated Employees of FDC shall be required to forward the details of their securities transactions including the statement of their family members to the Compliance Officer annually within 15 days from 31st March of every year in **Form K**.

The Company, within two days of receipt, shall disclose to all stock exchanges on which the Company is listed, the information received under the Regulations 8(1) & 8(2).

9. Penalty for contravention of Code of conduct.

- 9.1 Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof as are applicable. s.
- 9.2 Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.



- 9.3 Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- 9.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations 2015.

10. Inquiry

Where on the basis of the records available or the Information received, the Compliance Officer find any Employee or Officer of the Company has violated the provisions of this Code, then such person may be required to furnish documents/ evidences to prove the compliance of the Code by him.

If on the completion of the investigation, insider is found to be the guilty of the violation of the Code, then his case would be referred to the Board of Directors and appropriate disciplinary action would be taken against him. Decision of the Board of Directors would be final and binding upon the insider.

11. Miscellaneous

- 11.1 Any employee of the Company who becomes aware of any violation by any insider shall immediately intimate the Compliance Officer of any such violation or non compliance. The information provided by such employee shall be treated as confidential and shall not be disclosed.
- 11.2 If any employee has any query /question about this Code or its application to any proposed transaction, the same may be addressed to the Compliance Officer.
- 11.3 The Code shall remain in force until withdrawn by the Board of Directors of the Company.

