



LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED

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March 19, 2019

(through NEAPS)

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai -400051

Dear Sir,

Sub: Code of Fair Disclosure and Conduct

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

We wish to inform that Board of Directors of the Company in their meeting held on March 18, 2019 has approved the amendments in following "codes" which are amended to make them compliant under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018:

1. Code of Conduct to Regulate, Monitor and Report Trading by Insiders" pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.
2. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure and Conduct) pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

This amended 'Code of Fair Disclosure and Conduct' is also publicized by the Company on its official website www.fiemindustries.com under Investor Relations section Code of Fair Disclosure and Conduct pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

A copy of 'Code of Fair Disclosure and Conduct' is attached for your reference and records in terms of Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

Thanking you.

Yours faithfully,
For Fiem Industries Limited


Arvind K. Chauhan
Company Secretary

Encls: A/a

FIEM INDUSTRIES LIMITED
CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION
(CODE OF FAIR DISCLOSURE AND CONDUCT)

[Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]
[As amended pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

Introduction:

SEBI (Prohibition of Insider Trading) Regulations, 2015 become effective from 15th May, 2015. These new Regulations had replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "PIT Regulations") requires a listed company to formulate and publish on its official website a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with the said PIT Regulations. While formulating the Code of Fair Disclosure, each of principles as set out in Schedule A to the PIT Regulations need to be followed without diluting the provisions of PIT Regulations in any manner.

SEBI (Prohibition of Insider Trading) Regulations, 2015 are further amended vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the amendment is effective from April 1, 2019.

'Code of Fair Disclosure and Conduct' is amended to include in it Policy for Determination of "legitimate purposes" to make it compliant of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

A) Practices and Procedures:

1. Company will adhere the practice of prompt disclosure of Unpublished Price Sensitive Information (UPSI) to Stock Exchanges in order to make such information generally available. However, disclosure will be made after some credible and concrete information comes into being about the UPSI.
2. To avoid selective disclosure of UPSI, uniform and universal dissemination will be made through Stock Exchanges and other source like company's website and/or newspapers, as and when applicable.
3. Company Secretary is designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.
4. If any information gets disclosed selectively, inadvertently or otherwise, that unpublished price sensitive information will be promptly disseminated to make such information generally available.
5. Appropriate and fair response will be given to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. It will be ensured that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Best practices will be followed to make transcripts/ records of proceedings / presentations of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Company will handle all strategic, material, confidential and unpublished price sensitive information in the organisation on a '**need-to-know**' basis and requisite confidentiality will be maintained for these information.



B) Policy for Determination of “Legitimate Purposes”:

1. Regulation 3(1) of PIT Regulations provides that no insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. Regulation 3(2) of PIT Regulations provides that no person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 inserted Sub-regulation (2A) in Regulation 3, which mandates that the board of directors of a listed company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.
4. Pursuant to sub-regulation (2A), Regulation 3, ‘Policy for Determination of “Legitimate Purposes” is introduced as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.
5. **Legitimate Purpose:** The term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, bankers, customers, suppliers, merchant bankers, legal advisors, auditors, or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of PIT Regulations. In case of any specific situation, Company Secretary in consultation with Managing Director and/or Chief Financial Officer will decide the legitimate purpose.
6. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered as an “insider” for purposes of PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with PIT Regulations.
7. The Company will maintain the data of such persons in compliance of the PIT Regulations and shall require such persons to keep their conduct in compliance of PIT Regulations. The parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the **legitimate purpose**, and such parties shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

Notes:

- i) Original Code of Fair Disclosure and Conduct was made effective w.e.f. May 15, 2015.
- ii) The amended ‘Code of Fair Disclosure and Conduct’ after insertion of Policy for Determination of “Legitimate Purposes” is approved by the Board of Directors in their meeting held on March 18, 2019.

