



HEUBACH COLORANTS INDIA LIMITED
[formerly Clariant Chemicals (India) Limited]

Insider Trading - Code of Conduct

Introduction

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, Heubach Colorants India Limited (“the Company”) has formulated this Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives.

1. Definitions

- 1.1 “Act” means the Securities and Exchange Board of India Act, 1992.
- 1.2 “Board” means the Board of Directors of the Company.
- 1.3 “Code” or “Code of Conduct” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Heubach Colorants India Limited as amended from time to time.
- 1.4 “Company” means Heubach Colorants India 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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. For the purpose of this Code, Company Secretary shall be known as the Compliance Officer.
- 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 the 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 to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- 1.8 **Designated Person** shall include:
- (i) The Board of Directors of the Company;
- (ii) Regional Council Members (RCM) of the Company and its Associate Companies i.e., Heubach Group entities in India;
- (iii) All employees falling under the category of General Managers and above of the Company and its Associate Companies i.e., Heubach Group entities in India;
- (iv) Every employee (including the trainees and person on third party payroll) working in Finance department, Legal department, Communication department, Secretarial department, support staff of Managing Director;
- (v) Any other employee / person as may be determined and informed by the Compliance Officer from time to time;
- (vi) Immediate relatives of all the person listed in (i) to (v) above.
- 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 **"Immediate Relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities
- 1.13 **"Insider"** means any person who,
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- 1.14 **"Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013
- 1.15 **"Legitimate Purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- 1.16 **"LODR Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereto.
- 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, 2018 or any modification thereof:
- 1.18 **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof:
- 1.19 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 1.20 **"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;
- 1.21 **"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" or UPSI** means: 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:

- (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) Any other matter as may be prescribed under the LODR Regulations and/or Corporate Law to be price sensitive, from time to time.

Words and expressions used and not defined in these regulations but defined in the 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 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2. Role of Compliance Officer

- 2.1 The 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, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.
- 2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

3. Preservation of "Price Sensitive Information"

- 3.1 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.
- 3.2 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, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 3.3 No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.

3.4 All information shall be handled within the Company 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.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors 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 so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information

3.5 Need to Know:

- (i) "need to know" basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

3.6 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

3.7 Chinese Wall Procedures

Norms for Chinese Wall procedures is as under;

a. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

b. The employees in the inside area shall not communicate any price sensitive information to any one in public area.

c. In exceptional circumstances employees from the public areas may be bought "over the wall" and given confidential information on the basis of "need to Know" criteria, under intimation to the Compliance Officer.

4. Prevention of misuse of "Unpublished Price Sensitive Information"

Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the Company shall be governed by an internal code of conduct governing dealing in securities.

4.1 Trading Plan

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:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (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;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) 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
- (vi) 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 the Code and / or 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 as per provisions of the Regulations.

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.

- 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 the 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 the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

- 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 Window and Window Closure

- 5.1 (i) The trading period, i.e. the trading period of the stock exchanges, called "trading window", is available for trading in the Company's securities.

- (ii) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.

Provided Trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results.

- (iii) When the trading window is closed, the Designated Person shall not trade in the Company's securities in such period.

- (iv) All Designated 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.

- (v) In case of ESOPs, exercise of option and sale of shares allotted on exercise of ESOPs may be allowed in the period when the trading window is closed.

- 5.2 The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he 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.

- 5.3 The Compliance Officer 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, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

- 5.4 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.

- 5.5 The restrictions of the trading window shall not be applicable in below cases:

1. Off Market inter-se transfer between the persons having same UPSI and made a conscious and informed trade decision.

Provided that the said off market trade shall be intimated to the Compliance Officer within 2 working days of execution of the trade. The reporting shall be disseminated to the Stock Exchanges within 2 working days of the receipt of information.

2. Trade carried out through the block deal window mechanism between persons who were in possession of the UPSI and both parties had made a conscious and informed trade decision.
3. Trade was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
4. Trade was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable Regulations.
5. Trades executed pursuant to an approved trading plan.

6. Trades executed in respect of pledge of shares for a bonafide purpose, subject to pre-clearance by the Compliance Officer and compliance with the respective Regulations.
7. Trades which are undertaken in compliance with respective Regulations; Such as acquisition by conversion of warrants or debentures (if any), 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 the SEBI from time to time.
8. Trading window restrictions shall not apply in respect of Offer For Sale (OFS) and Rights Entitlements (RE) transactions carried out in accordance with the framework specified by SEBI.

6. Pre-clearance of trades

6.1 All Designated Persons, who intend to deal in the securities of the Company when the trading window is opened and if the aggregate purchase / sale of securities of the Company exceeds Rs. 500,000/- in value or 2000 shares of the Company in a Calendar Month (either in one transaction or in a series of transactions) whichever is lower, should pre-clear the transaction. However, no designated person shall be entitled to 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 and hence, he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form (Annexure 1) to the Compliance Officer indicating the estimated number of securities that the Designated Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- (ii) An undertaking (Annexure 2) shall be executed in favour of the Company by such Designated Person incorporating, *inter alia*, the following clauses, as may be applicable:
 - (a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
 - (b) That in case the Designated Person has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in

his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.

- (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - (d) That he/she has made a full and true disclosure in the matter.
- (iii) All Designated Person shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (Annexure 3).
 - (iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.
 - (v) **All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.**

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
 - (vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

7. Other Restrictions

- 7.1 The disclosures to be made by any person under this Code shall include those relating to trading by such

person's immediate relatives, and by any other person for whom such person takes trading decisions.

- 7.2 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 7.3 The disclosures made under this Code shall be maintained for a period of five years.

8. Reporting Requirements for transactions in securities

Initial Disclosure

- 8.1 Every promoter/ member of the promoter group/ Key Managerial Personnel / Director / Officers / Designated Employees of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure 4).
- 8.2 Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter or member of promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

Continual Disclosure

- 8.3 Every promoter, member of the promoter group, designated person and Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs.

The disclosure shall be made within 2 working days of:

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

- 8.4 The Company may, at its discretion, require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company in such form and at such frequency as may be determined by the Company in order to monitor compliance with these Regulations.

Disclosure by Designated Person

- 8.5 All holdings in securities of that Company by Designated Persons at the time of joining the Company;

- 8.6 Trading in derivatives of Securities of that Company and the traded value of the derivatives, if any
- 8.7 Annual statement by designated persons of all holdings in Securities as on March 31 as per format prescribed by the Company.
- 8.8 Disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
- a. Immediate relatives
 - b. Persons with whom such designated person shares a material financial relationship
 - c. Phone, mobile and cell numbers which are used by them

Material Financial Relationship: shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the preceding 12 months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which payment is based on arm's length transactions.

- 8.9 Names of educational institutions from which Designated Persons have graduated and names of their past employers shall be disclosed on a one time basis.

Preservation of disclosed data

The disclosures made under this clause of the Policy shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

9. Disclosure by the Company to the Stock Exchange(s) & Maintenance of Digital Database

- 9.1 Within 2 days of the receipt of intimation under Clause 8.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- 9.2 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated person for a minimum period of five years.
- 9.3 The Company shall maintain a structured digital database containing the names of such persons or entities, as the case may, be with whom information is shared under this Regulation along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

10. Dissemination of Price Sensitive Information

10.1 No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

10.2 Disclosure / dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors

- Only public information shall be provided.
- At least two Company representatives shall be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information shall be ensured after every such meet.

10.3 People can be brought “inside” for any proposed or ongoing price sensitive transaction only on need to know basis, for furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Such individual (s) should be made aware by the Designated person who brought him “inside”, of the duties and responsibilities attached to the receipt of the inside information and the liability that attaches to misuse or unwarranted use of such information.

11. Institutional Mechanism for Prevention of Insider Trading

The Managing Director jointly with Compliance Officer shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the regulations to prevent insider trading.

The internal controls shall include the following;

11.1 All employees who have access to unpublished price sensitive information are identified as designated person;

11.2 All the unpublished price sensitive information shall be identified, and its confidentiality shall be maintained as per the requirements of the regulations;

11.3 Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by the regulations;

11.4 List of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed, or notice shall be served to all such employees and persons;

11.5 All other relevant requirements specified under the regulations shall be complied with;

11.6 Periodic process review shall be done to evaluate effectiveness of the internal controls.

The Board of Directors shall ensure that the Managing Director and the Compliance Officer ensures compliance with the requirements of framing Institutional mechanism for prevention of insider trading.

The Audit Committee shall review compliance with the provisions of this section at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

12. Penalty for contravention of the code of conduct

12.1 Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

12.2 The Company shall, upon observation of any violation of the Code, promptly call upon the Designated Person for information who has violated the provision and shall inform the particulars of violation to the Stock Exchanges, in such form and manner as specified by the SEBI from time to time.

12.3 Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

12.4 Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in employee stock option plans, etc.

12.5 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.

13. Amendment

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend/substitute any provision(s) with a new provision(s) or replace this entire code with a new code.

The Company reserves its right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the concerned unless the same is notified in writing.

In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the code.

14. Enquiries/ Consultation

Any person to whom this Code applies, and who has a doubt as to interpretation of any clause of the code, should at all times consult the Compliance Officer.

Other provisions/restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed/complied.

Annexures referred in this Code are available with the Compliance Officer.

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

The Company has formulated and adopted this Code of practices and procedures for fair disclosure of unpublished price sensitive information as set out below in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. This code shall form part of Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Heubach Colorants India Limited as amended from time to time.

The Code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below;

1. 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.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information. The Company has designated Company Secretary as a Chief Investor Relations Officer.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. 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.
8. Handling of all unpublished price sensitive information on a need-to-know basis.
9. The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes in the ordinary course of business and administration of the Company. The Company also has a Policy for determination of Legitimate Purposes for which the UPSI can be shared, which has been attached with this Code and marked as "Annexure-A, provided it is not shared to evade or circumvent the prohibition

under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015

10. The Chief Investor Relations Officer shall be responsible for co-ordinating disclosure and intimating the incident of actual or suspected leak of UPSI to Stock Exchanges. The Company also has a Policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, which has been attached with this Code and marked as "Annexure-B"
11. The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend/substitute any provision(s) with a new provision(s) or replace this entire code with a new code. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the code.
12. Any amendment to the Code, upon approval of the Board of the Company shall be intimated to the Stock Exchanges and shall also be updated in the company's official website.

Annexure A

Policy for Determination of Legitimate Purposes

This Policy, as a part of “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” formulated under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations 2015 (here in after referred as “the Regulation”) and subsequently amended vide Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy"

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

“Legitimate purpose” pursuant to the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with the following persons, where such communication is for performance of duties or discharge of legal obligations or for need-to-know basis etc., provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

1. Promoters/Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Merchant Bankers
10. Legal Advisors
11. Regulatory Authorities
12. Advertising Agencies
13. Institutional Investors/ Analysts
14. Insolvency Professionals
15. Consultants
16. Any other advisors/consultants/partners
17. Any other person with whom UPSI is shared

Persons in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of Insider Trading Regulations.

For the purpose of determine the 'legitimate purposes', following factors must be satisfied:

1. It must be shared in the Ordinary of Course of Business or for Corporate Purposes;
2. Required to be done in furtherance of fiduciary duties or in fulfilment of any statutory obligation;

3. Information shared is in the interest of other shareholders/stakeholders and
4. Information is not being shared for personal benefit even if it may result in personal gain consequently.

The Company shall execute an agreement with, or communicate to, all Insiders, who are in possession of UPSI, for Confidentiality/ non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

A structured digital database shall be maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under the Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The Business / Service Unit Head(s) or RCMs or every person required to handle UPSI shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions. Provided that in the event of receipt of any information from the SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

Annexure B

Policy For Procedure Of Inquiry In Case of Leak Of Unpublished Price Sensitive Information ("UPSI")

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (UPSI) or suspected leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and to inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of the Company has laid down this procedure of inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information ('the Policy'), for adoption.

Objectives of the Policy

- (i) To strengthen the internal control system so as to prevent leak of UPSI.
- (ii) To restrict and prohibit the practice of sharing of UPSI, with any un-authorized person, which originates from within the company and which information could affect the market price of the securities of the Company as well as could cause loss of reputation and investors' / financiers' confidence in the Company.
- (iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- (v) To penalize any Insider, Employee & Designated Persons who is found guilty of violating this policy.

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI.

Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee or Designated Persons or any other known or unknown person

to any person other than a person(s) authorized by the Board of Directors.

Procedure for inquiry in case of leak of UPSI

- (i) On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company:
 - (a) all the Designated Persons and other officers, as may be communicated by Compliance Officer in joint consultation with Head of Legal, shall be barred from trading in the securities of the Company immediately until further notice.
 - (b) the Compliance Officer shall promptly inform the Board of Directors about the same.
 - (c) the Compliance Officer shall ensure that the same shall be promptly intimated to the Stock Exchanges and SEBI. Further, the report on Preliminary inquiry and results thereof shall also be reported to the Stock Exchanges and SEBI.
- (ii) Preliminary inquiry shall be undertaken to find out the cause of such leak / suspected leak of UPSI under the supervision of Company's Internal Committee on Whistle Blower Policy.
- (iii) The report of Preliminary inquiry and the result thereof shall be promptly shared with the Board of Directors of the Company.
- (iv) Appropriate disciplinary action shall be taken by the Company against the guilty person which may include wage freeze, suspension, recovery, claw back, termination of employment contract/agreement etc.
- (v) Company's disciplinary action shall not debar the SEBI / Stock Exchanges and other applicable authority to take action against the person found guilty.