

## **ALEMBIC LIMITED**

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FOR FAIR DISCLOSURE OF UNPUBLISHED  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

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<b>Details of Adoption / Amendments to the Code</b>				
<b>Code Adoption / Change effective Date</b>	<b>Clause No.</b>	<b>Particulars of the Adoption / Change</b>	<b>Board Approval Date</b>	<b>Version of Code</b>
15/05/2015	-	Adoption of Code	07/05/2015	Original
01/04/2019	Various clauses	Pursuant to the amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015	27/03/2019	V-2

### **For members of the Board of Directors of Alembic Limited**

The Board of Directors of Alembic Limited (“the Company”) are managing the affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest of all the Stakeholders.

Securities and Exchange Board of India vide its Circular dated 15<sup>th</sup> January, 2015, has introduced SEBI (Prohibition of Insider Trading) Regulation, 2015 (“Regulation”), to be effective from 15<sup>th</sup> May, 2015. The Regulation provides for the formulation of a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the “Code of Fair Disclosure and Conduct”).

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (“UPSI”) and to prevent misuse of such information.

Any subsequent modification and/or amendment brought by SEBI in the Regulation shall automatically apply to this Code of Fair Disclosure and Conduct.

### **Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

1. There shall be prompt disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The uniform and universal dissemination of UPSI to avoid selective disclosure shall be ensured.
3. Unless otherwise resolved by the Directors, the Director-Finance & Chief Financial Officer and the Company Secretary of the Company shall act as the Chief Investor Relation Officer to deal with dissemination of information and disclosure of UPSI.
4. There shall be prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response shall be provided against queries on news reports and requests for verification market rumours by regulatory authorities.
6. The Board of Directors shall ensure that information shared with analysts and research personnel is not UPSI.
7. Best practices to be followed 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. UPSI shall be shared on a need-to-know basis.
9. The Board may also establish further rules and procedures, from time to time to give effect to the intent of this Code of Fair Disclosure and Conduct and to further the objective of good corporate governance.
10. A policy for determination of legitimate purposes is part of this Code of Fair Disclosure and Conduct and annexed herewith as Schedule - A.

**Disclosures of the Code of Fair Disclosure and Conduct in Public Domain**

1. This Code of Fair Disclosure and Conduct shall be placed on the official website of the Company.
2. Further, this Code of Fair Disclosure and Conduct and every subsequent amendment made thereto, shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

## **Policy for determination of legitimate purposes**

### **1. Objective**

The objective of Policy for determination of legitimate purposes (“Policy”) is to enable persons responsible for sharing UPSI / the person receiving UPSI, to determine whether the recipient / he has a Legitimate Purpose for receiving such UPSI on a need-to-know basis. This policy is formulated in compliance with the requirements of Regulation 3 of the Regulations.

### **2. Definitions**

“Company” means Alembic Limited.

“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, in furtherance of performance of duties or discharge of legal obligations, provided that such sharing has not been carried out to evade or circumvent the prohibitions of Insider Trading Regulations.

“Unpublished Price Sensitive Information” or “UPSI” 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, delistings, disposals and expansion of business and such other transactions; and
- (v) changes in key managerial personnel.

Any term(s) not defined in the Policy shall have the same meaning as assigned to such term(s) in the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives or Insider Trading Regulations or any other applicable laws or regulations.

### 3. Effective Date

This Policy is effective from 1<sup>st</sup> April, 2019.

### 4. Policy

- (i) Legitimate Purpose shall be determined on a case to case basis by any Insider / Designated Person responsible for sharing or by any Insider procuring such UPSI having regard to the guidance as laid down in this Policy.
- (ii) Legitimate Purpose can either
  - a) be ascertainable with certainty; or
  - b) may require exercise of judgement on the part of the person sharing such UPSI.
- (iii) Sharing of UPSI for the below given activities, in the ordinary course of business, shall be deemed to be made for Legitimate Purpose:
  - a) Audits, reviews, inspections, assessments, etc. of financial statements, books of accounts, ledgers and other documents by various internal and external auditors, statutory / regulatory authorities;
  - b) Raising of funds by issue of securities or any other activity leading to change in capital structure;
  - c) Borrowings from Banks, Financial Institutions, etc.;
  - d) Long term contracts with suppliers / customers;
  - e) Legal Matters / Services;
  - f) Obtaining permissions, licenses, approvals, subsidy, etc. from various statutory / regulatory authorities;
  - g) Mergers, Acquisitions, Takeovers, Joint Ventures and other restructuring activities; or
  - h) Events creating obligation to make open offer.
- (iv) Legitimate Purpose shall be considered as ascertainable with certainty when any of the following conditions are satisfied:
  - a) The UPSI is being shared for purposes as approved and listed by the Board of Directors of the Company and to category of persons as approved and listed by the Board of Directors. This list as approved by the Board of Directors shall be reviewed on an annual basis (or sooner if required) by the Board of Directors of the Company;

- b) The UPSI is being shared for purposes which are specifically required by law to be exercised by any such person receiving the information and non-sharing of such information would lead to statutory or regulatory non-compliance on the part of the Company; or
  - c) The UPSI is shared pursuant to a contractual obligation on the part of the Company to share such UPSI with any such person and where such contract has been entered into in accordance with appropriate authorisations within the Company.
- (v) Legitimate Purpose shall be considered as requiring exercise of judgement on the part of the person sharing such information where the Legitimate Purpose is not ascertainable with certainty.
- (vi) Existence of Legitimate Purpose in cases requiring exercise of judgement on the part of the person responsible for sharing such UPSI shall be determined by the person responsible for sharing such UPSI having regard to
- a) the definition of Legitimate Purpose as laid out in the Regulation and this Policy;
  - b) the past practice and experience of the Company with sharing such information;
  - c) the seniority of the person with whom such information is being shared;
  - d) the existence of a confidentiality agreement with such recipient;
  - e) the consequences of not sharing such UPSI with the recipient;
  - f) the “need to know” of such recipient; or
  - g) any other guidance as laid out from time to time by the Board of Directors of the Company.
- (vii) 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 and such other information as prescribed under the Regulation.
- (viii) Any Person in receipt of Unpublished Price Sensitive Information / other informations pursuant to Legitimate Purpose shall be considered an Insider and due notice shall be given to such person to maintain confidentiality.