

## **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**

### **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

#### **Background**

As per Regulation 8(1) read with Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015 (**“Regulations”**), every listed company has to frame a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (**“Code”**). The Regulations requires companies to disseminate **“Unpublished Price Sensitive Information (‘UPSI’)** universally and not selectively. This Code is intended to lay down principles and practices to be followed by the Company relating to uniform and universal dissemination of information and disclosure of UPSI as required under the Regulations so as to avoid selective disclosure.

This **“Code”** is framed by the Board of Directors of the Company pursuant to the amendment to the Regulations, in 2018.

This policy is effective from April 1, 2019.

#### **1. Applicability**

This Code is applicable to all insiders.

#### **2. Definitions**

**“Applicable Law”** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statute, law, regulations including any modification and amendments thereto, listing agreement, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.

**“Connected Person”** means Connected Person as defined under the Regulations and shall also include promoters and their directors and key managerial personnel.

**“Chief Investor Relations Officer”** means such senior officer of the Company appointed by the Board of Directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. Unless otherwise designated by the Board, the

Company Secretary shall be deemed to be the Chief Investor Relations Officer for the time being.

**“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.

**“Insider”** means any person who is connected person or in possession of having access to UPSI.

**“Legitimate Purpose”** shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis.

**“Selected Group of Persons”** means securities analysts or selected institutional investors, brokers and dealers or their associated persons, investment advisers and institutional managers, investment companies, hedge funds or any other person.

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

**“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 become 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, demergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- e) Changes in key managerial personnel;

### **3. Sharing of UPSI for legitimate purpose**

**“Legitimate Purpose”** shall mean sharing of UPSI in the ordinary course of business or on a need to know basis. The Company may share the UPSI if required in the interest of the Company.

Legitimate Purpose shall inter-alia including sharing of UPSI on need to know basis by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors, consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

In the following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

- (i) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;

Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.

- (ii) Under any proceedings or pursuant to any order of courts or tribunals;

Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial Authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

- (iii) As part of compliance with applicable laws, regulations, rules and requirements;

Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.

- (iv) Arising out of any contractual obligations or arrangement entered into by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;

Example: Due-diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreements, etc.

- (v) Arising out of business requirement including requirement for the purposes of promoting the business and strategies of business which may require sharing of information with Promoters and Promoters in turn with their Promoters on need to know basis.

Example: Some of the examples which are illustrative in nature are as mentioned below:

- Sharing the relevant UPSI for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
- Sharing the relevant UPSI with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services;
- Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, re-organization, operation improvement, technology and similar domains;
- Sharing the relevant UPSI with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender;
- Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- Sharing the relevant UPSI for statutory consolidation requirements or related customary disclosure obligations;
- Sharing the relevant UPSI with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to the Regulations.

Any person in receipt of UPSI pursuant to “legitimate purpose” shall be considered an “insider” for the purposes of the Regulations and shall comply with the Code.

#### **4. Process for sharing UPSI**

The insider shall conduct the following steps while sharing UPSI:

- Satisfy that information is UPSI and sharing is for legitimate purpose.

- Identify the persons with whom the information is to be shared.
- Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
- Maintain names of the persons along with PAN (or any other identifier where PAN is not available), address, etc. with whom information is shared.
- The data base shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the data base. This data base shall be kept confidential.

## **5. Overseeing and co-coordinating disclosure**

- The Chief Investor Relations Officer would be responsible to ensure timely, adequate, uniform and universal dissemination of information and disclosure of UPSI so as to avoid selective disclosure.
- The Chief Investor Relations Officer shall ensure that information shared with analysts and research personnel is not UPSI.
- He shall also ensure that when interacting with media and external public, guidelines for disclosure of UPSI are complied with.
- If an insider receives a query about any UPSI related to the Company, he shall forward such query to the Chief Investor Relations Officer for approval. Any such information shall be made public only if the same is approved by the Chief Investor Relations Officer in consultation with the Chairman/Board of Directors.
- Should any dissemination of information on behalf of the Company take place without prior approval referred above, out of accidental omission, selectively, inadvertently or otherwise by an insider then such insider shall forthwith inform the Chief Investor Relations Officer about such disclosure. The Chief

Investor Relations Officer will then promptly disseminate the information so as to make such information generally available.

### **Responding to Market Rumors**

The Chief Investor Relations Officer shall provide appropriate and fair responses to queries in relation to UPSI including newspaper reports

A no comment policy must be maintained by the Company and the Chief Investor Relations Officer shall not comment on market rumors when requested by regulatory authorities to verify such rumors.

The Chief Investor Relations Officer shall be responsible for deciding in consultation with the Chairman/Board of Directors of the Company so as to the necessity of a public announcement for verifying or denying rumors and thereafter making appropriate disclosures.

### **Disclosure Policy**

- The Company shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges where its securities are listed in accordance with the requirements of law and thereafter to the press.
- As a good practice, the UPSI disclosed to the stock exchanges and to the press may also be supplemented by prompt updates on the Company's website.
- The Company may also consider other modes of public disclosure of UPSI so as to improve investor access to the same.
- The information filed by the Company with the stock exchanges under the listing agreement shall also be posted on the Company's website.

### **Third Party Dealings**

- The Chief Investor Relations Officer shall ensure that best practices of making transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website to ensure official confirmation and documentation of disclosures made are developed by the Company.

- The best practices shall include uploading the following information on the website of the Company-
- Any power point presentation or similar material used by the analysts in such meeting on the website of the Company.
- Any earnings guidance or any other similar material distributed during press conference.
- Any material information about business plans of the Company provided in response to analyst queries or during discussion in a meeting or any other information which may lead to price discovery has been shared.

### **Policy Review**

Any amendment to this Code shall be done with the consent of the Board of Director of the Company.

15.03.2019  
Coimbatore