

# **FACT Policies under Prohibition of Insider Trading Regulations, 2022**

(Updated on 22-05-2025)

FACT endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Designated Person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Designated Person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

In order to uphold the policy and obligation and in compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the “FACT Policies under Prohibition of Insider Trading Regulations, 2022” (hereinafter collectively referred to as FACT - PIT Policies have been framed. FACT - PIT Policies, shall include-

- (i) Code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI);
- (ii) Code of conduct for regulating, monitoring and reporting of trading by Designated Persons and Code of Internal procedures; and
- (iii) Policies and Procedure for inquiry in case of alleged/ suspected leak of UPSI.

## **1. Effective Date:**

The FACT – PIT Policies shall become effective from 11-11-2022 and replace the Code of Conduct on Prohibition of Insider Trading.

## **2. Definitions:**

In these regulations the words and expressions and derivations therefrom shall have the meanings assigned to them under SEBI (Prohibition of Insider Trading) Regulations 2015 and Securities and Exchange Board of India Act, 1992.

(a) “Chief Investor Relations Officer/CIRO)” means the Company Secretary or any other executive nominated by the *Board of Directors or Chairman & Managing Director (CMD)* of the Company from time to time.

(b) "Company/ FACT" means The Fertilisers and Chemicals Travancore Limited.

(c) "Compliance Officer" means Compliance Officer as per the provisions of SEBI (LODR) Regulations 2015, nominated by the Board of Directors of the Company.

(d) "Connected Person" means-

(i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allows such a 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). 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 relative or banker of the company, has more than ten per cent of the holding or interest; [or]

(k). a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or

(l). a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d)

(e) “Designated Persons” means –

1) All members of the Board of Directors;

2) All executives of FACT, upto two levels below the Board ie., Executive Directors/Chief General Managers and General Managers of FACT.

3) All employees, not covered in (2) above but needs to share UPSI at anytime and authorised for that purpose by the concerned Executive Directors/Chief General Managers and General Managers, under intimation to the Compliance Officer.

In addition to the above, for the purpose of Code of Conduct for regulating, monitoring and reporting of trading, the following persons shall also be considered as Designated Persons.

4) All employees (including support staff) of Corporate Planning, Finance, Company Secretarial and IT/Computer Services who in the opinion of the concerned Executive Directors/Chief General Managers and General Managers, have the ability to access UPSI.

(f) “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;

(g) “Insider” means any person who is a connected person; or in possession of or having access to UPSI of the Company;

(h)"unpublished price sensitive information" (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;

(v) changes in key managerial personnel.

(vi) change in rating(s), other than ESG rating(s)

(vii) fund raising proposed to be undertaken

(viii) agreements, by whatever name called, which may impact the management or control of the company

(ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad

(x) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions

(xi) admission of winding-up petition filed by any party/creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016.

(xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting misstatement in financials, misappropriation / siphoning or diversion of funds and receipt of final forensic audit report;

(xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company

(xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;

(xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business

(xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

(i) **“Relative”** shall mean the following:

(i) spouse of the person;

(ii) parent of the person and parent of its spouse;

(iii) sibling of the person and sibling of its spouse;

(iv) child of the person and child of its spouse;

(v) spouse of the person listed at sub-clause (iii); and

(vi) spouse of the person listed at sub-clause (iv)

#### **4. Applicability-**

“FACT - PIT Policies” shall apply to all Insiders, Connected Person and Designated Persons.

## **5. Code of practices and procedures for Fair disclosure of Unpublished Price Sensitive Information (UPSI):**

### **A. FACT shall strive to adhere to the following Principles of Fair Disclosure—**

- (i) Prompt public 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.
- (ii) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- (iii) CIRO to deal with dissemination of information and disclosure of UPSI.
- (iv) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- (v) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- (vi) Ensure that information shared with analysts and research personnel is not UPSI.
- (vii) Develop 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.
- (viii) Handle all UPSI on a need-to-know basis.

### **B. Policy for determination of “legitimate purposes”**

- (i) UPSI shared in the ordinary course of business by an insider with other insiders, 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 PIT Regulations shall be considered as “Legitimate Purpose”
- (ii) Any person in receipt of UPSI, pursuant to (i) above shall be considered an “insider” and due notice shall be given to such persons to maintain confidentiality of such UPSI.
- (iii) Designated persons shall maintain confidentiality, of all Price Sensitive information. Designated persons shall not pass on such information to any

person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

**C. Maintenance of Structured Digital Database:**

(i) A structured digital database shall be maintained containing the names of such persons who have shared UPSI and also the names of such persons with whom information is shared under this SEBI (PIT) Regulations, along with the Permanent Account Number or any other identifier authorized 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, preservation for the period prescribed by the regulations.

(ii) Apart from maintaining a digital data base of such fiduciaries/ insiders/ outsiders to whom UPSI are shared, with controls in terms of obtaining PAN/ other IDs, the Compliance officer shall place before the Board, through the Audit Committee, on an annual basis, a report on the exercise of such controls where there in fact occurred a sharing of UPSI to other persons/ entities in furtherance of business objectives of the Company.

(iii) UPSI shall be shared only by the concerned Executive Directors/Chief General Managers and General Managers, or by the person duly authorised by the concerned Executive Directors/Chief General Managers and General Managers, in this regard.

(iv) The person receiving such information (“recipient”) should be sensitized or informed about the confidentiality of the matter in order to avoid any leakage of the UPSI.

(v) Where there is sharing of UPSI with fiduciaries and other such outsiders, a Non- Disclosure Agreement (NDA) shall be entered into with the “recipient”.

(vi) Details of the “recipient” should be maintained digitally in order to track whether the information was misused/ exploited by such “recipient”.

**6. Code of conduct for regulating, monitoring and reporting of trading by Designated Persons:**

(1) “Chinese Wall” procedures should be followed by creating a virtual information barrier between those who have UPSI and those who do not have access to it. Price Sensitive information is to be handled on a “need to know” basis, i.e, Price Sensitive information should be disclosed only to those within the Company who need the information to discharge their duty. No UPSI shall

be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(2) No insider shall communicate, provide or allow access to any Unpublished Price Sensitive Information, relating to the Company or securities listed/proposed to be listed to any person including other insider(s) except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations. Similarly, no person shall procure from or cause communication by any insider of Unpublished Price Sensitive Information, except as is aforesaid.

(3) Designated Persons of the Company and their immediate relatives shall be governed by the FACT – PIT Policies, (which in itself includes the internal code of conduct governing dealing in securities), in their dealing with the securities of the Company, in addition to applicable laws.

(4) Designated persons and immediate relatives of designated persons shall be governed by this code and shall be subject to trading restrictions as enumerated below:-

(i) They shall not trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI. When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

(ii) They shall not trade in securities when the trading window is closed.

The trading window shall remain closed for financial statements as under:

<i>Declaration of Financial Results for</i>	<i>Trading Window Closure period</i>	
	<i>From</i>	<i>To</i>
First quarter	1st July of the financial year.	Upto 48 hours after declaration of financial results, as notified from time to time.
Second quarter	1st October of the financial year.	
Third quarter	1st January of the financial year.	
Annual and fourth Quarter	1st April of following financial year.	

In addition, the Company may declare any other schedule for closure of trading window based on requirements and the same shall be notified accordingly.

The gap between clearance of accounts by Audit Committee and Board meetings should be as narrow as possible and preferably on the same day to avoid leakage of material information.

(iii) They shall be entitled to trade in the equity shares and/ or securities of the Company for an aggregate value not exceeding Rupees Two Lakh per annum when the trading window is open.

(iv) They should obtain pre-clearance of such transaction(s) by making application to the Compliance Officer for pre-clearance in Form A of the Annexure, if they intend to trade beyond the threshold limit prescribed in (iii)

(v) Prior to approving any trades, the compliance officer may seek declarations to the effect that the applicant for is not in possession of any unpublished price sensitive information.

(vi) They shall execute the transactions which have been pre-cleared, within seven trading days, failing which fresh pre-clearance shall be sought for the trades.

(vii) They shall not execute a contra trade within six months. However, the Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate PIT regulations. Should a 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 SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

(5) The Designated Persons shall submit the application for pre-clearance as mentioned in (4) (iv) and report trades executed and not executed after securing pre-clearance in Form AA of the Annexure within 30 days from the date of obtaining pre-clearance. Trading activities of Designated Persons as per approved Trading Plans, in terms of Regulation 5 of the PIT Regulations, approved by the Compliance Officer and notified to the Stock Exchanges, do not warrant pre-clearance.

(6) The Compliance Officer shall submit a consolidated report on the pre-clearance and trading reported by the Designated Persons, if any, to the Board through the Audit Committee on an annual basis.

(7) In case of report on alleged violation or suspected violations of the Code of Conduct, it shall be reported to the Audit Committee and the Audit Committee may initiate inquiry as per the Whistle Blower Policy / Vigil Mechanism of the Company. On determination of guilt, imposition of disciplinary actions including wage freeze, suspension, recovery etc., shall be recommended. Any amount collected under this clause shall be remitted to SEBI / Investor Protection and Education Fund administered by SEBI under the Act.

(8) In case it is observed that there has been a violation of the PIT Regulations, the Compliance Officer shall promptly report to Stock Exchange(s) where the concerned securities are traded.

(9) Designated persons shall be required to disclose names and Permanent Account Number or any other identifier like Aadhar number, demat account details, bank account details, of the following persons to the Company (in Form D of the Annexure) on an annual basis and as and when the information changes –

a) immediate relatives;

b) persons with whom such designated person(s) shares a material financial relationship;

c) Phone, mobile/ cell numbers which are used by them;

d) names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis, in Form E of the Annexure.

Explanation – The term “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 immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

(10) Disclosures under Regulation 7 of PIT

a) Initial Disclosure: Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or

member of the promoter group] shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, as per the Form B of the Annexure, to the company within seven days of such appointment or becoming a promoter.

- b) Continual Disclosures: Every promoter, member of the promoter group, designated person and director shall disclose as per Form C of the Annexure, 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 Rupees Ten Lakh or such other value as may be specified;
- c) Annual Disclosure: The Designated Persons shall disclose the holding positions in securities of the Company on an annual basis in Form D of the Annexure, as on March 31 every year, before April 15 of that year, to monitor compliance with the PIT Regulations.

## **7. Policies and Procedure for inquiry in case of leak/ suspected leak of UPSI:**

The Employees may report instances of leak of unpublished price sensitive information as per the Whistle Blower Policy / Vigil Mechanism of the Company.

In case of report of any alleged leak or suspected leak of UPSI, it shall be reported to the Audit Committee and the Audit Committee may initiate inquiry as per the provided in the Whistle Blower Policy / Vigil Mechanism of the Company. On determination of guilt, imposition of disciplinary actions including wage freeze, suspension, recovery etc., shall be recommended. Any amount collected under this clause shall be remitted to SEBI / Investor Protection and Education Fund administered by SEBI under the Act.

This shall be without prejudice to the powers of SEBI to proceed against violation(s) under the PIT Regulations. Further, the SEBI shall be promptly informed of such leaks, inquiries and results of such inquiries.

## **8. Amendment:**

Amendment in this Policy required due to statutory modifications on account of change in law including clarifications issued under the PIT Regulations or modification required for clarification purposes shall be appropriately factored in the FACT – PIT Policies with the approval of the Chairman and Managing Director of the Company; and