

H R B FLORICULTURE LIMITED

CIN: L01300RJ1995PLC009541

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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

This Code is formulated on the principles, as set out in Schedule A to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Preamble :

1. The Securities and Exchange Board of India notified Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on 15th January, 2015 in the Official Gazette of India (hereinafter referred to as the 'Regulations'). These Regulations are effective from 15th May, 2015.
2. As per regulation 8(1) of the said Regulations, the Board of Directors of H R B Floriculture Limited (hereinafter referred to as "the Company") has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the 'Code') which is effective from 15th May, 2015.
3. Further, Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulation 2018 notified on December 31, 2018 and subsequent amendment to PIT Regulations notified on January 21, 2019 requires every listed Company, inter alia, to formulate a policy for determination of 'Legitimate purpose' as a part of this code formulated under regulation 8 of the Regulations. Accordingly, the Board of Directors adopted this new Code covering a policy for determination of 'Legitimate purpose'. This revised Code will be applicable from April 1, 2019 and existing Code will be applicable upto March 31, 2019.

Definitions :

1. **"Insider"** means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
1. **"Compliance Officer"** means any senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified in the SEBI (Prohibition of Insider Trading) Regulations, 2015, under the overall supervision of the Board of Directors of the Company.

2. **"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) dividend;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;

(v) change in key managerial personnel.

The Board of Directors of the Company has appointed Chief Financial Officer as Chief Investor Relations Officer and the Company Secretary as Compliance Officer for the purpose of this code, who shall report to the Board of Directors.

The Chief Investor Relations Officer and Compliance Officer shall ensure the following:

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 Information to avoid selective disclosure;
3. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
4. Appropriate and fair response to queries on news reports and requests for verification of market rumours by Regulatory Authorities;
5. The information shared with analysts and research personnel is not Unpublished Price Sensitive Information;
6. 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.
7. Handling of all Unpublished Price Sensitive Information on a need-to-know basis.

Policy for determination of “Legitimate Purposes”

- (i) No Insider shall communicate or No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (ii) The ‘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 the Regulations.
- (iii) A person in receipt of Unpublished Price Sensitive Information pursuant to a legitimate purpose shall be considered as an insider for the purpose of this code and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (iv) The agreements entered into involving sharing of UPSI should have a “confidentiality clause” or else a separate Non-Disclosure Agreement shall be executed with parties to safeguard the disclosure of UPSI.
- (v) The information shall be shared with any person on ‘need to know’ basis.

INTERPRETATION

Any words used in this Code but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, Accounting Standards or any other relevant legislation/law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Code, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term/provision, the Board of Directors may seek the help of any of the officers of the Company or an outside expert as it may deem fit.

AMENDMENT

The Board of Director of the Company reserves the right to amend or modify this Code/Policy in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time without assigning any reason whatsoever. Any such amended Code will be accordingly updated on the website of the Company.

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- Amended w.e.f. 01.04.2019