

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

Introduction

The Securities and Exchange Board of India (“SEBI”) has, in pursuance of the powers conferred on it under the Securities and Exchange Board of India Act, 1992, notified SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”), effective from May 15, 2015.

Regulation 9(1) of the Regulations requires every listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in the Regulations.

Nagarjuna Oil Refinery Limited (NORL) has adopted the Code of Conduct to regulate, monitor and report trading by Insiders (“Policy”) effective from May 16, 2015.

Objective

This Policy is intended to prevent misuse of Unpublished Price Sensitive Information (“UPSI”) by Insiders and Connected Persons.

Compliance Officer

MS. Ankita Mathur, Company Secretary of the Company to be appointed as the Compliance Officer within the meaning of SEBI (Prohibition of Insider Trading) Regulations, 2015

Code

The Company, in order to comply with the provisions, has made a code of internal procedures and conduct in line with the Regulations.

1. Reporting

The Compliance Officer shall report to the Board of Directors (“Board”) and in particular, shall provide reports to the Chairman of the Board, at such frequency as may be stipulated by the Board.

2. Information on a Need to Know basis and Chinese Wall procedures

All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider’s legitimate purposes, performance of duties or discharge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/her legal obligations.

Directors / Employees/ Outsiders and others (who are identified from time to time) shall maintain confidentiality of all Price Sensitive Information and shall not pass such information to any person as a recommendation for purchase or sale of securities of the company.

The Price Sensitive Information should be made available on a 'need to know' basis, only where it is required for discharge of duties in the normal course.

3. Designated Persons

The company has identified officers comprising the top three tiers of the Company Management, other employees in various Departments and certain outside agencies who have access or who are likely to have access to Price Sensitive Information, categorised as follows:

Insiders to the Company

1. Directors & Manager of the Company
2. Connected Persons or persons who are in possession of price sensitive information as defined in the Regulations
3. All the employees of the following departments
 - a. Chairman Secretariat
 - b. Managing Director Secretariat
 - c. Finance
 - d. Secretarial & Legal
 - e. Internal Audit

Outsiders to the Company

1. Advisors and Consultants of the Company, to whom Price Sensitive Information is available.
2. Statutory Auditors of the company
3. Law firms, analysts, consultants others who are identified from time to time assisting or advising the company

The Company shall maintain a complete record of all the Directors / Employees/ Outsiders and others (who are identified from time to time). The Information shall be maintained in the record based on declarations received and shall include the name, address, designation, number of shares / voting rights held of the concerned employee / Director and of their dependent family members.

Dependent family members for this purpose shall mean the following :

- a. Father
- b. Mother
- c. Wife / Husband
- d. Son / Daughter

Any change in the list of Directors / Employees/ Outsiders and others (who are identified from time to time) dependent family members shall be update from time to time.

4. Trading window

The Company shall specify a trading period to be known as "Trading Window".

The Trading Window shall be closed to the insiders, employees, directors, outsiders and others (who are identified from time to time) during the period the Price Sensitive Information is un-published i.e., to say the Directors / Employees/ Outsiders and others (who are identified from time to time) shall not be permitted to trade in the securities of the company during such period. The Trading Window shall be opened only **48 hours** after the Price Sensitive Information is published.

The Trading Window is proposed to be for a period of **15 days** prior to the publication of the Price Sensitive Information. Directors / Employees/ Outsiders and others (who are identified from time to time) intending to deal in the Securities of the company shall have to notify the Compliance Officer indicating the estimated number of securities they intend to deal with.

The company shall keep the Trading Window closed 15 days prior to the publication of the Price Sensitive Information at the time of

- (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; and
- (vi) material events in accordance with the listing agreement.

Where at any time, the company issues securities of the company under the Employee Stock Option Scheme (ESOPs), the directors / employees may be permitted to exercise the option even when the Trading Window is closed. However, sale of such securities allotted under ESOPs shall not be allowed when the Trading Window is closed.

5. Pre-clearance and Trades

When the trading window is open, trading or trading plans by designated persons shall be subject to pre-clearance by the Compliance Officer.

No designated person shall apply for pre-clearance of any proposed trading plans if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

The decision of the Compliance Officer on all applications for trading or trading plans shall be final. The Compliance officer shall take decision in the interest of the Company and as per the provisions of the Regulations.

6. Restricted List

The Compliance Officer shall confidentially maintain a list as a “restricted list” as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

7. Declarations

Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

8. Pre-clearance

Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.

9. Contra Trade

A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is 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 SEBI under the Act.

10. Disclosure Responsibilities & formats

- A. Initial Disclosures of holdings Every promoter, key managerial personnel and director of the Company shall disclose (Form A) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;
- B. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose (Form B) his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.
- C. Continual Disclosures of trades
Every promoter, employee and director of the Company shall disclose to the Company Form C the number of such securities acquired or disposed of within two (2) 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.10,00,000/- (Rupees Ten lakh) or such other value as may be specified;

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

- D. Other formats / disclosures, to monitor compliance with these Regulations would be as under–
- Application-cum-undertaking for pre-clearance (Appendix-I)
 - Reporting of holdings in securities by Designated Persons as on 31 March, on an annual basis by 10 April (Form E)

11. Penalty for contravention of Code of Conduct

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

12. Applicability of the Code to certain persons

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review and amendment wherever necessary.