



PASUPATI ACRYLON LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy for determination of “Legitimate Purpose”

{Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended}

(Reviewed and approved by the Board of Directors on 28th June, 2021)

PASUPATI ACRYLON LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended]

Preamble

SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended (“SEBI Regulations”) mandates every listed company to formulate a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**. Accordingly, the Board of Directors (‘the Board’) has adopted this Code to protect the interest of stakeholders and to avoid the misuse of unpublished price sensitive information.

Objects of the Code

The Code aims at:

- i. Preventing the misuse of unpublished price sensitive information within the Organization and practice of selective disclosures to the public;
- ii. Acknowledging the necessity of communicating, providing or allowing access to information and promoting the principle of equality of access to information.

Chief Investor Relations Officer

Chief Financial Officer of the Company shall act as the Chief Investor Relations Officer, who deals with the dissemination and disclosure of unpublished price sensitive information. Additionally, the following persons are also authorized to communicate with the investors/media in co-ordination with the CFO:

- i. Chairman and Managing Director of the Company
- ii. Director (Operations)
- iii. Company Secretary

Legitimate Purpose

SEBI Regulations, *inter-alia*, requires the Board to formulate a policy for determination of ‘legitimate purpose’, in line with the guidance provided in SEBI Regulations.

The term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with Company’s partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing of unpublished price sensitive information has not been carried out to evade or circumvent the prohibitions of SEBI Regulations.

The assessment of whether sharing of unpublished price sensitive information for a particular instance would tantamount to 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Accordingly, this Code only sets out the principles that should be considered while assessing if the purpose for which unpublished price sensitive information is proposed to be shared is "legitimate".

Primarily, the following factors should be considered while determining what constitutes a Legitimate Purpose:

- Whether sharing of such information is in the ordinary course of business of the Company;
- Whether information is sought to be shared to evade or circumvent the prohibitions of SEBI Regulations;
- Whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose and should not result into personal benefits of any connected person;
- Whether the information is required to be shared in furtherance of fiduciary duties or fulfilment of any statutory or contractual obligations;
- Whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

Principles of fair Disclosure and Conduct

The followings are the principles of fair disclosure for the purpose of this Code:

- 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.
- Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- Developing 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.
- Handling of all unpublished price sensitive information on a need-to-know basis.

Procedure

Company Secretary shall promptly intimate the outcome of the board meeting to stock exchange and update the stock exchanges about the current happenings in respect of unpublished price sensitive information and all events that have direct bearing on the market price, so as to ensure uniform and universal dissemination to the public at large.

In the event of selective or inadvertently disclosure of unpublished price sensitive information, prompt action will be taken to make such information generally available by informing to stock exchange(s), where the securities of the Company are listed.

Company Secretary shall promptly deal with any query or request for verification of market rumours received from stock exchange(s)/regulatory bodies.

Chief Investor Relations Officer/respective departmental heads shall take all necessary measure to ensure that the information should be shared, from time to time, in the ordinary course of business activities with its advisers and service providers, viz., auditors, merchant bankers and legal advisers/consultants of the Company.

The Company shall provide only public information to the analyst/research personnel/large investors.

Unpublished price sensitive information shall be strictly handled on a “need to know” basis *i.e.* will be disclosed only to those who need the information to discharge their duty and in furtherance of legitimate purpose. The recipient of Unpublished Price Sensitive Information shall be informed of the following, by way of written intimation and/ or contractual agreement, such as, confidentiality agreement or non – disclosure agreement, that:

- the information being shared is unpublished price sensitive information;
- upon receipt of unpublished price sensitive information, the recipient would be deemed to be an Insider and subject to the provisions of SEBI Regulations;
- the recipient must maintain confidentiality of the information at all times,
- the recipient may use the unpublished price sensitive information only for the approved purposes for which it was disclosed;
- the recipient should provide a written undertaking that he/she/it shall not undertake Trades in the securities of the Company while in possession of the unpublished price sensitive information; and
- the recipient must also adopt a code of conduct in terms of Regulation 9 of the SEBI Regulations, to inter alia ensure that it safeguards the unpublished price sensitive information in line with the SEBI Regulations.

Amendment

The Board reserves the right to amend or modify this Code in whole or in part, as it may deem appropriate, to ensure compliance with SEBI Regulations.

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