

## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

*This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended.*

In compliance of SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018, the Board of Directors of Axel Polymers Limited (APL) in its meeting held on May 28, 2019 have approved the revised / modified “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“UPSI”)” which is being effective from April 1, 2019.

### I. Objective

The Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company’s securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

### II. Scope

The Company endeavors to preserve the confidentiality of un-published 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

### III. Definitions

#### 1. Un-published Price Sensitive Information (“UPSI”)

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 include but not restricted to, information relating to the following;

- a) Periodical financial results of the Company;
- b) Intended declaration of dividends (Interim and Final);
- c) Change in capital structure i.e., Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company’s shares;
- d) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- e) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- f) Changes in key managerial personnel;



- g) Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- h) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

**Note:** Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and the Rules and Regulations made there under shall have the meanings respectively assigned to them in those legislation.

## 2. "Insider" Means any person who is:

- a) a connected person; or
- b) In possession of or having access to unpublished price sensitive information; or
- c) Any person who is in receipt of unpublished price sensitive information for legitimate purpose  
It is clarified that any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purpose of this code.

## IV. Principles of Fair Disclosure

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information:

- a) Prompt public disclosure of unpublished price sensitive information that would impact price discovery, as soon as it has credible and concrete information, in order to make such information generally available.
- b) Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- c) Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- d) Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information. The Company shall be careful while answering to the queries of analysts. Unanticipated questions shall be taken on notice and a considered response shall be given later.
- e) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website to ensure official confirmation and documentation of disclosures made.
- f) Handling of all unpublished price sensitive information on a need-to-know basis. Unpublished price sensitive information shall be disclosed to Company officials only after a proper clarification is sought as to the purpose for which the information is needed.





## V. Compliance Officer to oversee and coordinate disclosures:

- a) The Compliance Officer of the Company is responsible for dissemination of information and disclosure of UPSI.
- b) The Compliance Officer is also responsible for ensuring compliance under this code, overseeing and coordinating disclosure of UPSI to stock exchanges, shareholders, and media.
- c) All UPSI is to be handled on "need to know basis", i.e., UPSI should be disclosed only to those within APL, who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the Compliance Officer.

## VI. Powers & Duties of Compliance Officer:

- a) Other than information which is price sensitive in accordance with the Companies Act 2013, the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended or any other applicable law for the time being in force, the Compliance Officer in consultation with the Managing Director & Chief Financial Officer (CFO) shall decide whether an information is price sensitive or not.
- b) The Compliance Officer shall ensure that disclosure to Stock Exchanges is made promptly.
- c) All information disclosure/dissemination may normally be approved in advance by the Compliance Officer. In case information is accidentally disclosed without prior approval of Compliance Officer, the person responsible shall immediately inform the Compliance Officer.
- d) The Compliance Officer shall ensure that no unpublished price sensitive information is disclosed selectively to any one or investors to the disadvantage of other stakeholders.
- e) Any queries or requests for verification of market rumor(s) by the Regulatory Authorities shall be forwarded to the Compliance Officer, who shall decide on the clarification to be provided.
- f) The Compliance Officer shall decide whether a public announcement is necessary for verifying or denying any rumor(s).

## VII. Prompt disclosure of unpublished price sensitive information:

- a) APL will ensure that any event which has a bearing on the share price of the Company shall be disseminated promptly upon the conclusion of the event, by communicating the same to the stock exchanges in accordance with the PIT regulations.
- b) To ensure that the information is disseminated in a uniform manner, APL will transmit the information to all the stock exchanges where the securities of the Company are listed, at the same time and shall also publish the same on the website of the Company.



## VIII. Disclosure with reference to Stakeholders/Media:

All UPSI shall be first communicated to the stock exchanges before the same is shared with other personnel.

## IX. Responding to Market Rumors:

The Compliance Officer and/or the Investor Relations Team and /or any other official(s) authorized by the Board of Directors of the Company shall give an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and making disclosures.

## X. Sharing of UPSI for legitimate purpose:

The UPSI shall be shared by any person(s) authorized by the Board of Directors or Compliance Officer of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;

- a) Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- b) Sharing of UPSI where such communication is in furtherance of performance of duty(ies);
- c) Sharing of UPSI for discharge of legal obligation(s).
- d) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company.
- e) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.
- f) Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.



#### **XI. Issue of Notice to the recipient of UPSI**

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons:

- a) To make aware such person that the information shared is or would be UPSI.
- b) To make aware to such person the duties and responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted.
- c) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

#### **XII. Digital Database of recipient of UPSI**

The Compliance Officer shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared under this regulation, which shall contain the following information;

- a) Name of such recipient of UPSI;
- b) Name of the Organization or entity to whom the recipient represents
- c) Postal Address and E-mail ID of such recipient
- d) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The Compliance Officer shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.

#### **I. Amendment**

The Board of Directors of the Company, in sync with applicable laws, rules and regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code.

#### **II. Disclosure of Code on Public Domain**

This Code and any amendment thereof will be published on the Company's website.

