

ADVANCE PETROCHEMICALS LIMITED

Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information

1. Introduction

The Code of Practices and Procedures (the “Code”) of ADVANCE PETROCHEMICALS LIMITED for fair and continuous disclosure of Unpublished Price Sensitive Information (UPSI) in the market in order to adhere to the principles as set out in Schedule A referred in the Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (‘Regulation/s’ or ‘PIT Regulations’) adopted by the Board is amended to include changes made as proposed SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018.

2. Objective

The Objective of this Code is to formulate the framework and procedures for fair disclosures of events and occurrences that could impact the price discovery in markets for its securities.

3. Definitions

In this Code, the following words, expressions and derivations therefrom shall have the meanings assigned to them under PIT Regulations.

- a. Act
- b. Board or SEBI
- c. Compliance Officer
- d. Connected Person
- e. Generally Available Information
- f. Immediate Relative
- g. Insider
- h. Promoter
- i. Proposed to be listed

Words and expressions used and not defined in this Code but defined in the, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those legislations.

4. Disclosure Principle

The Company will make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such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. However, the Company or any Insider of the Company will not make any disclosure of UPSI to the selected individuals or group of individuals or Connected Persons including other Insiders except in following cases:

- The information disclosed is in furtherance of legitimate purposes, performance of duties or discharge of obligations on need to know basis as per its "Policy for determination of Legitimate Purposes" (Annexure A), provided it is not shared to evade or circumvent the prohibition under this Regulation.
- The information disclosed is in connection with a transaction which would entail an obligation to make an open offer under takeover regulations where the Board of Directors is of the informed opinion that the proposed transaction is in the best interests of the Company.
- The information disclosed is in connection with a transaction which would not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts. Provided that the parties to the transaction execute agreement to contract confidentiality and non-disclosure obligations and the said parties shall keep the information confidential except of the purpose mentioned above, and shall not otherwise trade in securities of the Company when in possession of UPSI

Beside above, the Company will file all its reports and notices as required to be filed under the Listing Agreement with the Stock Exchanges within prescribed time limit

5. Leaked /Suspect leak of UPSI

The Board has formulated written policy for initiating appropriate inquiries on becoming aware of leak/suspected leak of unpublished price sensitive information (Annexure B).

6. Role and Responsibilities

The Board acknowledges that it may not be possible to contact all the Directors whenever a disclosure requirement arises regarding the nature and content of an announcement. The Board has therefor delegated certain responsibilities with respect to continuous disclosure and external announcement.

The responsibilities under this policy are divided as under:

Managing Director, Directors and Whole-time Directors of the Company will be responsible for approval of making any announcements to the Stock Exchanges and Public. They will also ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently and to ensure that such information is generally available.

Company Secretary of the Company shall act as a chief investor relations officer of the Company to deal with dissemination of information and disclosure of UPSI.

Managing Director, Director, Whole-time Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Corporate Communication Team can make communications pertaining to UPSI with the Stock Exchanges and Public.

7. Disclosure Procedures

Review of Price Sensitive Information: After receipt of any potentially price sensitive information, the Company Secretary will immediately review the information in consultation with the Managing Director, Director and Group Head Corporate Finance and/ or external advisors to determine whether the information is price sensitive and is required to be disclosed to the Stock Exchanges.

Prepare draft announcement to the Stock Exchanges: If the information is price-sensitive information, the Company Secretary will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of the Managing Director or Director.

Lodge Announcements: The Company Secretary on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.

Post announcement on website: After lodgment of announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company.

Thereby ensuring uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information without any selective disclosure.

8. Media

Appropriate and fair response to queries on news reports. However, no response will be made to market speculation or rumor except where it is necessary to comply with the continuous disclosure obligations. A response will be submitted to the Stock Exchanges against their query requesting the Company to clarify the matter.

A briefing on the Company's performance and results is normally organized for the Media after the quarterly financial results of the Company are announced.

In order to manage dissemination of information about issue or major development in business, a press release will be issued to media via email or fax. An electronic copy of the press release will be posted on the Company website. The issue of press releases or strategic announcements of the subsidiaries of joint ventures is subject to agreed procedures.

9. Discussion with Analysts and Investors

As part of the Company's management of investor relations and to enhance analysts understanding of its background and technical information, the Company will conduct a meet or one to one discussion or group briefings and conference calls with Investors / Analysts (collectively referred to as briefings). The information shared with analysts and research personnel should not be UPSI. The protocol developed by the Company must be followed and the announcement of Investors Presentations or Transcript of conference call with Investors / Analysts be submitted to the Stock Exchanges and put up on the website of the Company to ensure official confirmation and documentation of disclosures made.

10. Communication of this Code

A copy of this Code and every amendment thereto shall be promptly intimated to the Stock Exchanges. A copy of this Code shall be handed over to the Directors and all the Employees of the Company within one month from the date of approval by the Board. This Code shall also be posted on the website of the Company.

11. Amendment

Any change in this Code shall be approved by the Board of Directors or Committee of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Code or the entire Code, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Annexure A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

Preface

This Policy for determination of Legitimate Purposes forms an integral part of Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015.

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Objective

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

Definition

a) "Legitimate Purposes" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of PIT Regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers including Merchant Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with whom UPSI is shared

b) "Insider"- Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "Insider" for purpose of PIT regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such Unpublished Price Sensitive Information in compliance with PIT Regulations.

Digital Database

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under PIT Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

Restrictions on Communication and Trading By Insiders

The board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of Unpublished Price Sensitive Information

Approved and Adopted

This Policy has been approved and adopted by the Committee of Board of Directors for Operations of the Company.

Annexure B

POLICY AND PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

[Under Regulation 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

Preface

This Policy and Procedure of an inquiry in case of leakage of UPSI forms integral part of Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015.

Objectives

The Objectives of this Policy is to strengthen internal control system to prevent leakage of UPSI, restrict unauthorised sharing of UPSI and take necessary actions in case of suspected leak of UPSI.

Definitions

(i) Chief Investor Relation Officer (“CIO”) shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

Information (“UPSI”) shall mean 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;

Disclosure of actual or suspected leak of UPSI to Stock Exchanges

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in “**Annexure C**” to this policy.

Report of Actual or Suspected Leak of UPSI to SEBI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in “**Annexure D**” to this policy.

Constitution of Enquiry Committee

The Committee of Board of Directors for Operations shall constitute a committee to be called as “Enquiry Committee”. The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by the members of the Committee.

Duties of Enquiry Committee

The Enquiry Committee shall be responsible

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action/s, if any.

Procedure for Enquiry in case of Leak of UPSI

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person, the CIO after informing the same to the Managing Director or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure:

(a) Preliminary Enquiry

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

(b) Report of Preliminary Enquiry to the Enquiry Committee

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

(c) Disciplinary Action

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination of contract, as may be decided by the Members of the Committee.

Amendment

The Committee of Board of Directors of Operations of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

Annexure C

FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES

BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001
Ref.: BSE Scrip Code No. 500173

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows,

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully

FOR, ADVANCE PETROCHEMICALS LIMITED

PULKIT GOENKA

DIN: 00177230

MANAGING DIRECTOR

Annexure C

FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051
Script Code-GUJFLUORO

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully

FOR, ADVANCE PETROCHEMICALS LIMITED

PULKIT GOENKA

DIN: 00177230

MANAGING DIRECTOR