



Apcotex Industries Limited

COMPANY'S INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

VERSION HISTORY

Version	Adopted / Amended by	Date of Approval / Amendment
1	Board of Directors	May 8, 2015
2	Board of Directors	March 28, 2019
3	Board of Directors	January 28, 2025

CODE OF FAIR DISCLOSURE, INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

INTRODUCTION

Securities and Exchange Board of India (SEBI) has replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992 with SEBI (Prohibition of Insider Trading) Regulations, 2015. These Regulations are called the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time (hereinafter referred to as "the Regulations") under the supervision of the Board of Directors of Apcotex Industries Limited ("the company").

The Regulations inter alia prohibits (i) communication of Unpublished Price Sensitive Information, (ii) procurement of price sensitive information and (iii) trading in securities when in possession of Unpublished Price Sensitive Information. The Regulations require the Company to enact and adopt a code which lays down the internal procedures for regulating, monitoring and reporting of trading by Insiders.

OBJECTIVE

This policy defines “Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders” is enacted pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and as amended from time to time, under the overall supervision of the Board of Directors.

The object of this Code is to formulate (i) a code of conduct for fair disclosure and (ii) an internal code of conduct to regulate, monitor and report trading by the Designated Person(s) and their Relatives in terms of regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule A and B appended thereto, as amended from time to time. The Code shall also cover Policy on Determining Legitimate Purpose.

However, the provision(s) of this Code may be made applicable, fully or partially, to any person whether an employee of the Company or otherwise, which the Compliance officer in consultation with the Managing Director or Chief Financial Officer, may determine, inter-alia for the purpose of preservation of against misuse or unwarranted use of Unpublished Price sensitive Information

WHAT IS INSIDER TRADING?

Insider Trading is the buying or selling or dealing in the securities of a listed Company by a Promoters, Member of Promoter group, director, member of the management, Designated Person, Employees, their immediate relatives, designated persons of material subsidiary Company, firm or by any other person such as internal and statutory auditor, agent, advisor, analyst, consultant, etc., who has knowledge of material inside information not available to the general public. The dealing in the securities of the Company is illegal by an “insider” when it is predicated upon the utilization of inside information to profit at the expense of other investors who do not have access to such information.

CERTAIN IMPORTANT TERMS (DEFINITIONS)

Act means the Securities and Exchange Board of India Act, 1992.

Board: Board Means the Board of Directors of the Company.

Code or **Code of Conduct** shall mean this Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders formulated in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Connected Person means:

(i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- a. relative of connected persons specified in clause (i); or
- b. a holding company or associate company or subsidiary company; or
- c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- d. an investment company, trustee company, asset management company or an employee or director thereof; or
- e. an official of a stock exchange or of clearing house or corporation; or
- f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i. a banker of the company; or
- j. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent. of the holding or interest, or
- k. a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- l. a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);”

Compliance officer means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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 these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

Designated Person: Designated Person means and includes;

- Directors of the Company
- Promoters and members of Promoter Group;
- Officers comprising the top three tiers of the Company management – General Managers, Vice President and Chief Operating Officer.
- Employees designated by HOD in consultation with Compliance Officer / Managing Director, who are working in the Finance and Accounts Department.
- Any other employees as may be designated / notified by the Compliance Officer in consultation with the Board / Managing Director from time to time, who may be in possession of Unpublished Price Sensitive Information.

Designated Persons shall disclose names and PAN or any other identifier authorized under law of the following persons to the company on an annual basis and as and when the information changes:

- a. Immediate relatives;
- b. Persons with whom such designated person(s) shares a material financial relationship; and
- c. Phone and mobile numbers which are used by them.

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

Generally available information: Generally available information means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.

Immediate Relative: Immediate relative means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

"Insider" means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

Officer: "Officer" means any person as defined in Section 2(59) of the Companies Act, 2013 i.e. any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act;

Promoter shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modifications thereof;

Promoter group shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modifications thereof;

Relative shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;
- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv).

Prohibited Period:

- **All Promoter Director(s) / Promoter Group / persons acting in concert with promoters and/or their relatives / Designated Persons**, their immediate relatives, designated persons of material subsidiary Company/ **employees working in Finance / Accounts / Marketing Department and their dependent family members.**

Period starts with the first day of the month from the end of the quarter till the end of 48 hours from the time the price sensitive information considered by the Board is made public.

- **Other Directors and Officers / employees working in any other department and their dependent family members.**

The prohibited period commences from the date of posting agenda of the Audit Committee / Board Meeting in which the price sensitive information is to be considered and ends after 48 hours from the time the price sensitive information is made public.

Or the Compliance Officer, from time to time, in consultation with Chief Executive Officer and/ or Chairman may specify any other period as prohibited period.

Regulations: Regulations means SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

Securities: Securities shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.

Specified: Specified means specified by the Board in writing.

Takeover regulations: Takeover regulations mean the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time thereto;

Trading: Trading means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and trade shall be construed accordingly.

Trading day: Trading Day means a day on which the recognized stock exchanges are open for trading.

Trading Window: Trading Window means the free period during which dealing in the securities of the Company is not specifically restricted or prohibited.

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) 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;

DUTIES AND POWER OF COMPLIANCE OFFICER

The Compliance Officer shall have the following duties and powers as enlisted below:

1. To set forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, monitoring the transactions after pre-clearance is given to the designated employees and their dependents’, whether the trades are executed within one week and the implementation of the code of conduct.
2. Shall be subject to overall supervision of the Board of Directors reporting to the Managing Director / Chief Executive Officer.
3. To suggest any improvements required in the policies, procedures, etc. to ensure effective implementation of the code.
4. To maintain a record of all connected persons covered and any changes made to the list of connected persons.
5. To assist all the employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations 2015 and the company’s code of conduct.
6. To maintain a list of all information termed as “Price Sensitive Information”.
7. To maintain a record of names of files containing confidential information deemed to be price sensitive information and persons in charge of the same.
8. To keep the records of periods specified as “Prohibited Period”.

9. To ensure that the “Trading Window” is closed, inter-alia, at the time of;
 - a. Declaration of Financial results (quarterly, half-yearly and annual);
 - b. Declaration of dividends (interim and final);
 - c. Issue of securities by way of public/ rights/ bonus etc.;
 - d. Any major expansion plans or execution of new projects;
 - e. Amalgamation, mergers, takeovers and buy-back;
 - f. Disposal of whole or substantially whole of the undertaking;
 - g. Any changes in policies, plans or operations of the company.
10. To process applications received for pre-clearance of transactions as per the procedure laid down.
11. To procure undertaking in favor of the Company from persons applying for pre-clearance of transactions in the prescribed format.
12. To ensure that a minimum holding period of 6 months is observed by all directors / officers / designated employees.
13. To waive the requirement of minimum holding period of 6 months under specified/ exceptional circumstances.
14. To receive and maintain records of periodic and annual statement of holdings from directors / officers / designated employees and their dependent members.
15. To maintain the records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of three years.
16. To place before the Board of Directors a report on compliance with this code once a year.
17. To implement punitive measures or disciplinary action prescribed for any violation or contravention of the code of conduct.
18. To inform the Board promptly of any violation observed or knowledge thereof.
19. To maintain list of all employees and other persons with whom UPSI is shared and shall enter into confidentiality agreement with designated personnel.

COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE

INFORMATION:

1. The insider shall maintain confidentiality of all UPSI. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. The board of directors of a listed company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under this regulation.
4. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
5. An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would: –
 - i. entail an obligation to make an open offer under the takeover regulations where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company.
 - ii. not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that sharing of such information 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.

Note: It is intended to permit communicating, providing, allowing access to or procuring UPSI also in transactions that do not entail an open offer obligation under the takeover regulations when authorised by the board of directors if sharing of such information is in the best interests of the company. The board of directors, however, would cause public disclosures of such unpublished price sensitive information well before the proposed transaction to rule out any information asymmetry in the market.

6. The Board of Directors shall, for the purpose of transactions mentioned in the clause 5, subclause i. and ii., requires 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, except for the purpose of clause 5, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

7. The board of directors shall ensure that structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
8. The board of directors shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI):

1. No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

(When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession).

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: -

- i. the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of Regulation 3 and both parties had made a conscious and informed trade decision.
Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of Regulation 3 of these regulations.
Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.
- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of Regulation 3 and both parties had made

a conscious and informed trade decision;
Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of Regulation 3 of the Regulations.

- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
 - iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
 - v. in the case of non-individual insiders: –
 - a. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - b. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
 - vi. the trades were pursuant to a trading plan set up in accordance with Regulation 5 of the Regulations.
2. In the case of connected persons, the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.
3. The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

PRE-CLEARANCE OF TRANSACTIONS:

All Directors / Promoters / Persons acting in concert with promoters and/or their relatives / Officers / Designated employees or Connected persons of the Company and their relatives;

- Shall deal in securities of the Company during the free period only.
- Shall obtain the prior permission/consent in writing from the Compliance Officer in case they intend to deal in securities of the Company in the excess of
 - ✓ 1000 (One Thousand) shares in number in case of Directors / Promoters / Persons acting in concert with promoters and/or their relatives.
 - ✓ 500 (Five Hundred) shares in number in case of other persons viz. Officers / Designated employees or Connected persons of the Company and their

relatives.

- Shall make an application, in duplicate, for obtaining the prior permission/consent in prescribed form.
- Shall deal in the securities of the Company for which prior permission/consent is obtained within seven days from the date of permission/consent.
- Shall apply afresh, in case he/she fails to execute the deal within 7 trading days from the date of permission/consent.
- Shall give an undertaking alongwith the application, in favour of the Company stating that;
 - he/she doesn't have access to or has not received price sensitive information up to the time of signing the undertaking.
 - He/she has access to or has received price sensitive information at the time of executing the undertaking, but he/she would refrain from dealing in the securities of the company till such time the information becomes public.
 - He/she has not contravened these rules.
 - He/she has made a full and true disclosure in the matter.
- Shall receive the permission/consent from the Compliance Officer within two days from the date of submission.
- Shall ensure that his/her stockbroker is authorized to disclose to the Company all matters relevant to his/her share dealings, if required by the Compliance Officer.
- Shall also inform the Compliance Officer, all deals in the securities of the Company below the threshold limit of;
 - ✓ 1000 (One Thousand) shares in number in case of Directors / Promoters / Persons acting in concert with promoters and/or their relatives.
 - ✓ 500 (Five Hundred) shares in number in case of other persons viz. Officers / Designated employees or Connected persons of the Company and their relatives.

within two trading days from the date of execution of deal.

The Compliance Officer shall retain all copies of applications and acknowledgements.

If the Compliance Officer feels opines that the proposed deal is on the basis of possession of any unpublished price sensitive information, he may reject the application for pre-clearance. The Compliance Officer is not obliged to give reasons for rejection / withholding the permission/consent.

TRADING PLAN

- a. Each Designated Person is entitled to execute Trades pursuant to pre-determined trading plan, where such trading plan has been formulated by such Designated Persons, approved by the Compliance Officer, and has been publicly disclosed by the Company to the Stock Exchanges, 120 days (One hundred and twenty calendar days) prior to the commencement of the Trading pursuant to the trading plan. In accordance with the SEBI (Prohibition of Insider Trading) Regulation, 2015 provisions relating to pre-clearance of Trades, closure of trading window and restrictions on contra trade shall not be applicable for Trades executed pursuant to an approved Trading Plan.
- b. A Trading Plan shall be formulated by Designated Persons in compliance with the Insider Trading Regulations, including any statutory modification(s) or re-enactment(s) for the time being in force.
- c. The Compliance Officer shall approve a Trading Plan within a period of 2 (two) Working days and shall take necessary undertakings / declarations from the applicant Designated Person presenting such a Trading Plan. Once approved and publicly disclosed by the Company to the Stock Exchanges, the Trading Plan shall be irrevocable, and the said Designated Person(s) shall mandatorily implement the Trades as per the Trading Plan.
- d. Such trading plan shall: -
 1. not entail commencement of trading on behalf of the insider earlier than 120 (one hundred and twenty calendar days) from the public disclosure of the plan;
 2. not entail overlap of any period for which another trading plan is already in existence;
 3. set out following parameters for each trade to be executed:
 - i. either the value of trade to be effected or the number of securities to be traded;
 - ii. nature of the trade;
 - iii. either the specific date or time period not exceeding five consecutive trading days;
 - iv. price limits, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - a) for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
 - b) for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

Note:

1. Sub clause (iv) is optional.
2. Price limit in sub clause (iv) shall be rounded off to the nearest number.
3. Insider can make adjustment with the approval of compliance officer in

case of bonus

issue and stock split occurring after the approval of trading plan and same shall be notified on stock exchange.

4. not entail trading in securities for market abuse.
- e. The implementation of the Trading Plan shall not commence if any Unpublished Price Sensitive Information in possession of the Insider at the time of formulation of the plan has not become generally available at the time of commencement of the implementation. The Compliance Officer may consult with the Managing Director and / or the Audit Committee Chairperson, on a case-to-case basis, prior to approving any Trading Plan.

CONNECTED PERSON:

1. Designated Persons of the Company shall ensure that all Connected Persons / Fiduciaries / other Insiders, including those who provide any services or supply goods to the Company or vice versa, whether or not pursuant to a written contract or a purchase order and who have access to Unpublished Price Sensitive Information or are reasonably expected to have such access to Unpublished Price Sensitive Information, execute an undertaking in the format prescribed under this Code.
2. Designated Persons who are employees of the Company shall ensure that a Notice / confidentiality / non-disclosure agreement shall be entered into by the Company with Connected Persons / Fiduciaries / Insiders prior to sharing any Unpublished Price Sensitive Information. The sharing of such information shall be in accordance with "Policy for determination of Legitimate Purpose" as part of "Apcotex Industries Ltd - Code of Fair Disclosure and Conduct".

DISCLOSURE REQUIREMENTS:

I. Initial Disclosure:

- a. Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or member of promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

II. Continual Disclosure:

- a. Every promoter, member of promoter group, designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of within two 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 ten lakh rupees or such other value as may be specified.
- b. Every company shall notify the particulars of such trading to the stock

exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

- c. The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time.

III. Disclosures by other connected persons:

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

IV. Periodical Disclosure:

All Designated Persons shall disclose to the company / Compliance Officer within 2 working days, whenever there is change in their shareholdings

V. Annual Disclosure:

All Designated Persons must make an annual disclosure of the number of Securities held as on 31st March each year by them including details of purchase / sale of Securities during the financial year to the Compliance Officer. This disclosure must be made in the format prescribed under this Code within 30 (thirty) days from the close of each financial year, in electronic or physical form.

DISCLOSURE BY COMPANY:

The Compliance Officer within 2 working days of receipt, shall disclose to all Stock Exchange(s) on which the Securities of the Company are listed, the information(s) received under above paras.

MAINTAINING CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION:

- All Officers, designated person shall maintain the confidentiality of all Price Sensitive Information and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the dealing in Securities of the Company.
- The Officers, designated person shall disclosure the Price Sensitive Information only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appears to misuse the information.
- If any Officer, designated person happens to receive any price sensitive information, he/she shall immediately report the same to the head of department, who in turn shall inform the same to the Compliance Officer in the prescribed

form.

- Files containing confidential information shall be kept secure under the lock and key. Computer files must have adequate security of login and password etc. The departmental head shall nominate a member of depart for ensuring the compliance with this clause.

CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING:

Before sharing any of the following information with analysts, shareholders and media, it shall be approved in advance by the Compliance Officer and Chief Executive Officer.

1. Periodical Financial results of the Company (quarterly, half-yearly and annual);
2. Intended declaration of dividend (both interim and final);
3. Issue of securities or buy-back of securities;
4. Any major expansion plans or execution of new projects;
5. Amalgamation, mergers or takeovers;
6. Disposal of whole or substantial part of the undertaking;
7. Any significant changes in changes policies, plans or operations of the company including launch of new brands or new products of the Company where the contribution from such brand or product exceeds or is likely to exceed 5% of the total turnover of the Company during that financial year;
8. Disruption of operations due to nature calamities;
9. Commencement of any new commercial production / commercial operations where the contribution therefrom is likely to exceed 5% of the total turnover of the Company during the financial year;
10. Developments with respect to changes in pricing / realization on goods and services arising out of the changes in the government policies.
11. Litigation / disputes with material impact;
12. Revision of credit ratings assigned to any debt or equity instrument of the Company;
13. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

Any information approved by the Managing Director / Chief Executive Officer for disclosure, copy of same shall be forwarded to the Compliance Officer.

In case any information as listed above is disclosed inadvertently or without prior approval, the person responsible for disclosure shall immediately inform the Compliance Officer or the Chief Executive Officer, although the information is not considered price sensitive.

PROCEDURE FOR RESPONDING TO MARKET RUMOURS OR ANY QUERIES:

The Compliance Officer shall immediately consult the Chief Executive Officer, for verification of any rumours or queries forwarded to him.

Only the Chairman or Managing Director or Chief Executive Officer of the Company, shall reply to the queries or requests for verification of market rumours within 48 hours of receipt of such rumour or any further period as specified by the Stock Exchange.

The Compliance Officer, in consultation with the Chairman and/or Chief Executive Officer, make a public announcement for verifying or denying rumours before making the disclosure.

DEALING WITH ANALYSTS / INSTITUTIONAL INVESTORS:

The Chairman, Managing Director and /or Chief Executive Officer of the Company shall interact with Analysts, Institutional and other Large Investors. Compliance Officer and a designated person shall be present while addressing the Analysts, Institutional or Large Investors.

No price sensitive information shall be disclosed to analysts or institutional and other large investors unless it is confirmed with the Compliance Officer that the information has been made public. All questions raised in the analysts / investors meet, relating to the price sensitive information, shall be taken note of and considered response shall be given only after consulting the Compliance Officer.

The Chief Executive Officer or a Designated person shall forward the copy of minutes of meeting with the Analysts / institutional investors to the Compliance Officer in prescribed Form, within 2 working days from the conclusion of the meeting.

The Compliance Officer shall make a press release or post relevant information on the Company's website immediately after every analyst meet and such information shall also be sent to the Stock Exchange immediately, where price sensitive information is disclosed.

PENALTY FOR NON-COMPLIANCE WITH COMPANY'S INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Compliance Officer shall recommend for the disciplinary action to the Chief Executive Officer, for not complying with the code of conduct by any of the designated person. The disciplinary action may include wage freeze, suspension, ineligibility for future participation in any schemes / plans of the Company like employees' stock option etc.

The Compliance Officer shall report non-compliance with the code of conduct to SEBI.

The action by the company shall not absolve the person from prosecution by SEBI under SEBI (Prohibition of Insider Trading) Regulations, 2015.

All connected persons shall also ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time. The copy of which is enclosed for reference.

For any clarifications, further information, the Company Secretary can be contacted.

PROTECTION OF THE INFORMANT UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATION, 2015

In accordance with SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019, the Company shall not discharge, terminate, demote, suspend or threaten directly or indirectly or discriminate against any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by SEBI, by reason of: (i) filing a Voluntary Information Disclosure Form; (ii) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent such employee from cooperating with SEBI in any manner.

In the event any employee is of the view, that he is likely to be discharged, terminated, demoted or suspended, or is being threatened, or discriminated, on account of any of the events set forth in the preceding paragraph, such employee shall be permitted to notify the Compliance Officer of the same. In the event, the Compliance Officer is subject to the foregoing, the Compliance Officer shall be permitted to bring such information to the notice of SEBI.

Annexure – I

GUIDELINES FOR DETERMINATION OF LEGITIMATE PURPOSES

These guidelines, formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Guidelines for Determination of Legitimate Purposes" hereinafter referred to as the "Guidelines".

This Guideline document is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and hence wherever there is a difference in understanding the SEBI Regulations / Guidelines will prevail

Objective

The objective of these guidelines 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.

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: –

1. financial results;
2. dividends;
3. change in capital structure;
4. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
5. changes in key managerial personnel.

The sharing of UPSI shall be deemed to be for "Legitimate Purpose" if it satisfies the following criteria:

- a. 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 these regulations
- b. The information shall be shared with any person on 'need to know' basis.
- c. Insiders shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law.
- d. Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of the Company in appropriate circumstances. The person who has the UPSI should ideally recuse himself from assigned task of the sharing the UPSI with third parties in such doubtful cases to avoid any adverse inferences in this regard.

- e. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "Insider" and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Regulations. The Compliance Officer shall ensure that such third party with whom the UPSI is shared, is also bound by non-disclosure or confidentiality agreements and the liabilities involved which shall mention the duties and responsibilities of such person with respect to such UPSI and the liabilities involved if such person misuses or uses such UPSI in breach of the Code or 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 Regulation 3 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

Amendment

The policy will be subject to review and amendment, as and when necessary, to ensure the same remain relevant and aligned with the evolving best practices and regulatory changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.

ANNEXURE-II

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]

Background

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of have laid down this procedure of inquiry in case of leak of UPSI or suspected leak of UPSI (‘the policy’), for adoption. The objective is to strengthen the internal control system to prevent 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 SEBI (LODR) Regulations, 2015 / Listing Agreement.
- (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 (LODR) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
- (iii) The internal controls shall include the following:
 - (a) all Employees who have access to UPSI are identified as Designated Person;
 - (b) all the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the SEBI Regulations;
 - (c) adequate restrictions shall be placed on communication or procurement of UPSI as required by the SEBI Regulations;
 - (d) lists of all Employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such Employees and persons;
 - (e) all other relevant requirements specified under the SEBI Regulations shall be complied with; and
 - (f) periodic process review to evaluate effectiveness of such internal controls.
- (iv) Support Staff shall include IT staff or secretarial staff who has access to unpublished price sensitive information.

- (v) 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 : –
1. financial results;
 2. dividends;
 3. change in capital structure;
 4. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
 5. changes in key managerial personnel.

Duties of Chief Investor Relations Officer (CIO)

The CIO shall be responsible to;

1. Oversee the Compliance of this policy.
2. Report the incident of actual or suspected leak of UPSI to the SEBI.
3. Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
4. To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee.

Disclosure of actual / Suspected Leak of UPSI to Stock Exchanges:

On becoming aware of actual or suspected leak of UPSI 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 A” to this policy.

Report of actual / Suspected Leak of UPSI to SEBI

On becoming aware of actual or suspected leak of UPSI 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 prescribed under this policy.

Constitution of Enquiry Committee

The Board of Directors or any Committee authorized by them in this behalf 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;
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.

Procedure for Enquiry In Case of Leak of UPSI:

On becoming aware of suo-moto or otherwise, of actual or suspected leak of UPSI of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-known 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 employment contract/agreement etc., as may be decided by the Members of the Committee.

Amendment

The policy will be subject to review and amendment, as and when necessary, to ensure the same remain relevant and aligned with the evolving best practices and regulatory changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.

ANNEXURE – III

INTERNAL CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION OF APCOTEX INDUSTRIES LIMITED (APCOTEX)

This Code is framed under Regulation 8 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and in case of discrepancies, SEBI applicable regulations will prevail.

The Principles of Fair Disclosure adopted by APCOTEX are as follows:

1. To promptly make 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. Company Secretary is designated as Chief Investor Relations Officer to take all required action for dissemination of information and disclosure of unpublished price sensitive information indiscriminately.
4. To promptly dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. To provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. To ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. To 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.
8. To handle all unpublished price sensitive information on a need-to-know basis.

SUMMARY OF OBLIGATIONS OF DESIGNATED PERSONS (DP) / PRESCRIBED FORMATS

All Designated Persons shall ensure compliance with the Code/Policy and the SEBI (Prohibition of Insider Trading) Regulations, 2015 and shall be subject to the obligations summarized below:

Sr. No.	Obligations	Time frame	Format of Disclosure
1	Every promoter / promoter group, KMP / director shall disclose his holding of shares in the company as on the date of these regulations taking effect in Form A	Within 30 days the regulations taking effect.	Annexure 1
2	Statement of initial disclosure of shares held in the Company by Promoter / Promoter Group, KMP and Director in Form B	Within 7 days of being appointed as Director/KMP or becoming Promoter/member of Promoter Group	Annexure 2
3	Every promoter / promoter group / DP / director shall disclose the no. of shares buy/sell within 2 trading days if the value of shares traded, whether in one transaction / series of transactions over any calendar quarter, exceed Rs.10 lakh in Form C	Within 2 trading days of such transaction	Annexure 3
4	Undertaking to be given by Connected Persons / Fiduciaries / Insiders.	Before sharing of UPSI	Annexure 4
5	Disclosure of transaction by Connected person as identified by the Company in accordance with Reg 7(3) of SEBI (PIT) Regulation, 2015 in Form D	At such frequency as may be determined by the Compliance Officer	Annexure 4A
6	Execution of undertaking/ agreement by DP:	Within 7 days of becoming a DP and	Annexure 5

	<p>(i) on being designated a “Designated Person” for new employees; and</p> <p>(ii) on this Code being effective for existing Designated Persons</p>	<p>within 30 days from date on which this Code is effective.</p> <p>The Compliance Officer may notify such other period as he may deem fit.</p>	
7	Initial disclosure by DP other than Promoter/Promoter Group/KMP/Director in respect of shares held such DP.	Within 7 days of being appointed as DP	Annexure 5A
8	Annual disclosure at the end of the financial year by DP in respect of the no. of shares held by such DP.	Within 30 days from the end of the financial year.	Annexure 5B
9	Application for pre- clearance of Trades - Reg – 9(1) read with clause 11 of the schedule B of SEBI (PIT) Regulations, 2015	Not applicable	Annexure 6
10	Declaration that the DP is not in possession of UPSI - Reg – 9(1) read with clause 11 of the schedule B of SEBI (PIT) Regulations, 2015	Not applicable. Along with the application of preclearance	Annexure 6A
11	Letter of approval from the Compliance officer approving the Pre-clearance application - Reg – 9(1) read with clause 11 of the schedule B of SEBI (PIT) Regulations, 2015	Within 2 working days of application/submission of necessary clarification	Annexure 6B
12	Letter of rejection from the Compliance officer rejecting the Pre-clearance application - Reg – 9(1) read with clause 11 of the schedule B of SEBI (PIT) Regulations, 2015	Within 2 working days of application/submission of necessary clarification	Annexure 6C
13	Disclosure on completion of the pre-cleared Trade - Reg – 9(1) read with clause 11 of the schedule B of SEBI (PIT) Regulations, 2015	Within 2 trading days on completion of trade	Annexure 6D
14	Reporting of decision to not Trade or failure to complete Trade after securing pre-clearance with reasons - Reg – 9(1) read with clause 11 of the schedule B of SEBI (PIT) Regulations, 2015	Within 2 working days on completion of 7 th trading day from granting of preclearance.	Annexure 6E
15	<p>Disclosure of names and PANs of the DP and:</p> <p>(i) Immediate Relatives,</p> <p>(ii) persons with whom such DP shares a Material Financial Relationship; and</p> <p>(iii) phone and mobile numbers.</p> <p>Reg – 9(1) read with clause 14 of the schedule B.</p>	At the beginning of every financial year and as and when the information provided changes	Annexure 7

16	Disclosure of names of educational institutions from where DP has graduated and names of their past employers. - Reg – 9(1) read with clause 14 of the schedule B of SEBI (PIT) Regulations, 2015	1 time basis and within 7 days of becoming a DP.	Annexure 7A
17	Notice of confidentiality intimation to employees and other person with whom UPSI is shared under Reg - 9A (2d) of SEBI (PIT) Regulations, 2015	On event basis	Annexure 8
18	Report of UPSI received directly or indirectly, to the Compliance Officer	On receipt of UPSI	Annexure 8A
19	Intimation of leak of UPSI to Stock Exchange and SEBI - Reg 9A(5) of SEBI (PIT) Regulation, 2015	Promptly	Annexure 8B
20	Undertaking for sharing of UPSI pursuant to legitimate purpose – Reg 3(2B) of SEBI (PIT) Regulations, 2015	At the time of sharing of UPSI	Annexure 9
21	Confidentiality agreement with Persons with whom UPSI is disclosed for Legitimate Purpose - Reg 3(3/4) of SEBI (PIT) Regulations, 2015	At the time of sharing of UPSI	Annexure 9A
22	Obtaining approval of Trading Plan - Reg 5 of SEBI (PIT) Regulations, 2015	Trading plan shall be approved and disclosed 6 months prior to trading to the Stock Exchanges	Annexure 10
23	Intimation of violations of Code of Conduct by the DP and their immediate relatives of DP to Stock Exchange and SEBI - Reg 9(1) read with clause 12/13 of Schedule B of SEBI (PIT) Regulations, 2015	Promptly	Annexure 11

