

PADMANABH ALLOYS & POLYMERS LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR

AND REPORT TRADING BY INSIDERS

Preamble:

Our Company has adopted the “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” (hereinafter referred as the Code of Conduct or the Conduct or the Code) is framed in line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time in order to protect the interest of stakeholders of the Company. This code is applicable to all Designated Persons, Immediate Relative, Connected Persons, Directors, Promoters and Promoter Group of the Company.

Definitions:

“**Board**” means the Board of Directors of the Company.

“**Code**” or “**Code of Conduct**” shall mean the Code of conduct to regulate, monitor and report trading by insiders of “Padmanabh Alloys & Polymers Limited” as amended from time to time.

“**Company**” means Padmanabh Alloys & Polymers Limited.

“**Compliance Officer**” means Company Secretary or any senior officer designated by Board, who is financially literate (i.e. having ability to understand basic financial statements) and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the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.

Explanation – For the purpose of this code, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

“**Connected Person**” this term shall have the meaning given to it under Regulation 2(d) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and shall also include such other persons as may be identified by the Board to be Connected Persons from time to time.

“**Designated Persons**” means:

- a) All Promoters of the Company;
- b) Members of the Board of Directors of the Company including, executive or non-executive or independent or nominee directors;
- c) Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary of the Company;

- d) Employees upto two levels below of Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- e) Such other persons who may have access to UPSI as may be identified by Compliance Officer in consultation with Board from time to time.

“Generally available information” means information that is accessible to the public on a non-discriminatory basis.

“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:

- a) a connected person; or
- b) in possession of or having access to unpublished price sensitive information including a person having access to such information by virtue of a legitimate purpose.

“Key Managerial Person” means person as defined in Section 2(51) of the Companies Act, 2013

“Promoter and 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 modification thereof;

“Securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual Fund.

“Takeover Regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

“Trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and ‘trade’ shall be construed accordingly.

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

“Regulation” means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

“Unpublished Price Sensitive Information” or **“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:

- a) financial results;

- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
- e) changes in key managerial personnel;

“Whole Time Director (WTD)” this term shall have the meaning as assigned to it under Section 2(94) of the Companies Act, 2013, as amended.

Interpretation:

Words and expressions used and not defined in these Regulations but defined in 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 rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

This Code can be modified/amended/alterd only by Board of Directors of the Company.

But in case of any statutory modification or amendment or alteration of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015, the newly modified/amended/alterd provisions of the Regulation shall be deemed to be implemented in the Code with effect from the date of the statutory notification for modification or amendment or alteration etc.

The amended code shall be placed before the Board of Directors of the Company.

Role of Compliance Officer:

The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors on annual basis.

The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

Preservation of confidentiality of UPSI / Confidential Information:

Designated Employees, Directors, Officers shall maintain the confidentiality of all Price

Sensitive Information. Employees/ directors shall not pass on such information to any

person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following practices should be followed in this regard.

Need to Know

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed 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 appearance of misuse of information.

Limited Access to Confidential Information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use.

Prevention of Misuse of "Unpublished Price Sensitive Information" (UPSI):

Designated Persons and immediate relatives of designated persons in the Company shall be governed by an internal code of conduct governing dealing in securities.

No insider shall trade in securities of the Company on the stock exchange when in possession of unpublished price sensitive information.

Trading Plan:

a. An insider shall be entitled, at his option, to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out with such plan.

b. Such trading plan shall:

(i) not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the plan;

(ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;

(iii) entail trading for a period of not less than twelve months;

(iv) not entail overlap of any period for which another trading plan is already in existence;

(v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and

(vi) not entail trading in securities for market abuse.

c. The Compliance Officer shall review such trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan and

trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

d. The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

e. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, any UPSI in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information.

f. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

Trading Window and Window Closure:

a. The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

b. The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

c. The trading window shall be made applicable from the end of every quarter till 48 hours after declaration of financial results. Trading Window for events other than financial results, shall be closed for the period as may be determined by the Compliance Officer of the Company from time to time. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

d. During closure of trading window, Designated Persons (and their immediate relatives) shall not trade in the securities of the Company.

e. All Designated Persons (and their immediate relatives) shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred above or during any other period as may be specified by the Company from time to time.

f. Sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

g. The trading window restrictions mentioned in sub-clause (1) of Schedule B i.e. Minimum Standards for Code of Conduct for Listed Companies to Regulate, Monitor

and Report Trading by Designated Persons of the regulation shall not apply in respect of – (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board; (b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

h. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

Pre-Clearance of Trades:

a. When the trading window is open, any Designated Person (and/or their immediate relative) shall trade in Securities of the Company subject to pre-clearance by the Compliance Officer if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter aggregates to a traded value in excess of Rs. 50 Lakhs (market value) should pre-clear the transaction. However, no Designated Person shall be entitled for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the trading window is not closed.

b. Designated Person (and/or their immediate relative Specified Person) who proposes to execute trade in Securities of the Company shall submit an application duly filled and signed to the Compliance Officer. The format of application is annexed as '**Annexure A**'. It is clarified that the designated person should submit the application on behalf of his/her immediate relative(s), for trades proposed to be executed by the immediate relative(s).

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

d. The Compliance Officer shall approve / reject pre-clearance application within four trading days in '**Annexure B**'.

e. Designated Person shall execute pre-cleared trade within seven trading days from approval and shall report his trade details to Compliance Officer in '**Annexure C**' within two trading days from the trade. In case non-trading, Designated Person shall report his decision of non-trading along with reasons to Compliance Officer in '**Annexure C**'.

f. In case of failure in executing trade within seven trading days, Designated Person shall be required to take fresh pre-clearance for the trades to be executed in '**Annexure A**'.

g. Designated Person who is permitted to trade shall not execute a contra trade within next six months from previous transaction. The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing without violating the Regulations. If contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India for credit to the Investor Protection and Education Fund.

Prohibition on Dealing, Communicating or Counselling on matters Relating to Insider Trading:

No Insider shall –

a. either on his own behalf, or on behalf of any other person, deal in securities of the company when in the possession of any unpublished price sensitive information;

b. communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

Reporting Requirements for Transactions in Securities:

a. Initial Disclosure:

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

b. Continual Disclosure:

Every promoter, member of the promoter group, designated person and director of the 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 Rs.10 lakhs.

The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two working days of receipt of the disclosure or from becoming aware of such information.

c. Other Disclosures:

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company as and when the information changes:

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

The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.

Designated persons shall also disclose on a one-time basis the names of educational institutions from which designated persons have graduated and names of their past employers.

Penalty for Contravention of Code of Conduct:

- a. Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- b. Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- c. Any Designated Person who contravenes the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery etc.
- d. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

“ANNEXURE A”

Application Cum Undertaking for Pre-Clearance

To,
The Compliance Officer
Padmanabh Alloys & Polymers Limited

Sub.: Application for Pre-dealing in securities of the Company

Dear Sir/Madam,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Code, I seek approval to purchase /sale of _____ equity shares of the Company as per details given below:

Sr. No.	Particulars	Details
01	Name, Address and PAN of the Applicant	
02	Designation	
03	Number of Securities held as on application date	
04	Folio No / DP ID/ Client ID No.	
05	Nature of Transaction – Purchase / Sale	
06	Proposed date of trading in securities	
07	Number of securities proposed to be acquired / sold	
08	Price at which transaction is proposed	
09	Current Market price (as on date of application)	
10	Whether the proposed transaction will be made through stock exchange or off- market	

I hereby declare that there will be no opposite transaction for 6 (six) months as per of the Code of Conduct of the Company.

I hereby further declare and undertake that I do not have any access nor have I received “Unpublished Price Sensitive Information” (UPS) upto the date of this application. In the event of me having access to or receiving UPSI after the date of signing this application but before the execution of the transaction, I undertake to inform the Compliance Officer of the change in this position and shall completely refrain from trading in the Company's Securities till the time such information becomes public.

I hereby also declare that I have not contravened the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 (two) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 trading days of the receipt of approval failing which I shall once again seek pre-clearance.

I have made full and true disclosure to the Company in the matter.

Yours faithfully,

Signature:

Name:

Designation:

Date:

Place:

“ANNEXURE B”

Approval / Rejection of Pre-Clearance

To,
Name:
Designation:

Dear Sir/Madam,

With reference to your application and on the basis of information submitted by you and relying entirely upon the application cum undertaking given dated _____, we would like to inform you that your application to purchase / sale _____equity shares of the Company is hereby approved / rejected. Now, you can execute your trade within 7 trading days from the date of this approval.

Further, you are required to submit a report your trade details within two trading days from trade or in case, no trade was executed, you are required to submit a 'Nil' report. In case, you do not execute a trade before within the specified time, you shall submit a fresh pre-clearance application before executing any transaction in the Securities of the Company.

Yours faithfully,

For Padmanabh Alloys & Polymers Limited

Name:

Date:

Place:

“ANNEXURE C”

Reporting of Trade / Transaction

To,
The Compliance Officer
Padmanabh Alloys & Polymers Limited

Dear Sir/Madam,

According to approval of pre-clearance dated _____, I have executed a trade / transaction on _____(date). The detail of said trade / transaction is as under:

Sr. No.	Particulars	Details
01	Name, Address and PAN of the holder	
02	No. of Securities dealt with	
03	Bought/sold/subscribed	
04	DP ID/Client ID/ Folio No.	
05	Price (Rs.)	

I undertake to preserve documents evidencing proof of above transaction for a period of 3 years and produce the same to the Compliance officer/SEBI when required.

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Yours faithfully,

Signature:

Name:

Designation:

Date:

Place: