

PADMANABH ALLOYS & POLYMERS LIMITED

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE

Legal Framework

SEBI with an intention to protect the investors enacted SEBI (Prohibition of Insider Trading) Regulation, 2015 w.e.f. 15 May 2015.

Further, SEBI has brought various amendments to the existing insider regulations to be effective from 1st April 2019. One of the amendments in Regulation 3 (2A) mandates the company to frame a policy for determining of legitimate purposes as a part of Codes of Fair Disclosure and Conduct.

Accordingly, a policy is framed as under:

1. Unpublished Price Sensitive Information (UPS):

Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- e) changes in key managerial personnel;
- f) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

2. Sharing of unpublished price sensitive information: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.

3. Issue of Notice to the recipient of unpublished price sensitive information:

Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an insider for purposes of this Code and due notice shall be given or confidentiality / non-disclosure agreement will be signed with such persons:

- a) To make aware such person that the information shared is or would be UPSI.
- b) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
