



**Advance Steel Tubes Ltd.**

CIN : L2423IUP1978PLC004583

AN ISO 9001 : 2000 Company

Manufacturers of : 'ERW' M.S. Black & Galvanised Pipes,  
Steel Tubular Poles, Steel Structures, Metal Crash Barrier & Scaffoldings



**Sales Office** : 81, FUNCTIONAL INDUSTRIAL ESTATE, PATPARGANJ, DELHI-110092  
Phones : 011-43041400 (100 Lines) Fax : 91-11-22145978  
Website : [www.advance-india.com](http://www.advance-india.com), [www.advance.co.in](http://www.advance.co.in)  
E-mail : [info@advance.co.in](mailto:info@advance.co.in)

## CODE OF PRACTICES AND PROCEDURES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

### **Preliminary**

This Code of practices and procedures of fair disclosure of unpublished price sensitive information (“Code”) is framed pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”), as amended from time to time. This Code has been framed with an aim to ensure fair disclosure of unpublished price sensitive information, that Advance Steel Tubes Limited (“Company”) would follow in order to adhere to each of the principles set out in the Company’s Code / Regulations without diluting the provisions of the Company’s Code / Regulations in any manner, by the Company to the Stock Exchange and disseminate on a continuous and prompt basis.

Further, the Code also provides the manner in which the Company may consider ways of supplementing information released to Stock Exchange by improving Investor access to their public announcements.

### **Overseeing and Coordinating Disclosure**

The Board has nominated Shri. Deoki Nandan Agarwal, Managing Director of the Company as the Compliance Officer of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (for the Code of conduct on Prevention of Insider Trading) to deal with dissemination of information and disclosure of unpublished price sensitive information.

Policy for determination of legitimate purposes (“Policy”) forms part of this Code and is annexed hereto.

### **Code**

Code of practices and procedures for fair disclosure of unpublished price sensitive information (“UPSI”) is set out below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such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;



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2. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure;
3. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
4. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities;
5. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
6. Developing 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;
7. Handling of all unpublished price sensitive information on a need-to-know basis.
8. A Designated Person may communicate, provide or allow access to any UPSI, in furtherance of legitimate purposes, performance of duties and discharge of legal obligations subject to making subsequent entry in the SDD by sending a prior notice of sharing of UPSI and compliance of Institutional Mechanism and Company's Code of conduct on Prevention of Insider Trading.

### **Responding to Market Rumours**

All queries or requests for verification of market rumours by exchanges shall be directed to the Compliance Officer of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and or to the Company Secretary of the Company and be sent at the following address:

Advance Steel Tubes Limited

Corporate Office Address: 81, Functional Industrial Estate, Patparganj Delhi – 110092, India

On receipt of such requests shall respond appropriately and fairly to the queries on news reports and requests for verification of market rumours by regulatory authorities within a reasonable time.

### **Disclosures**



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The Company shall ensure that

- This Code shall be published on the official website of the Company;
- Further, this Code and every subsequent amendment made thereto, shall be promptly intimated to the Stock Exchange where the securities of the Company are listed.

## Review and Amendments

The Board of Directors will review the Code and amend the same as and when required. Any amendment to any applicable law, rules and regulations will become applicable on the Code and/ or the Policy and shall supersede anything mentioned in the Code and/or the Policy.



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## **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

### **INTRODUCTION**

The Policy for determination of legitimate purposes forms part of the “Code of Practices and Procedures of Fair Disclosure of Unpublished Price Sensitive Information” (“Code”) and has been formulated pursuant to Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) and will be termed as the “Policy for determination of Legitimate Purposes” (“Policy”).

The objective of the Policy is to identify the legitimate purposes for sharing Unpublished Price Sensitive Information of the Company, if any, during the course of performance of duties or discharging legally bona-fide obligations.

### **DEFINITIONS**

- ❖ **“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 the Regulations.
- ❖ **“Insider”** for the purpose of this Policy will mean any person who is in receipt of Unpublished Price Sensitive Information pursuant to a legitimate purpose.
- ❖ **“Ordinary Course of Business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association. The Board including its Committees thereof may lay down principles for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.
- ❖ **“Unpublished Price Sensitive Information”** will have the same meaning as defined in the Regulations and the Code of Conduct formulated by the Company under regulation 9(1) of the Regulations.

### **UNDERSTANDING “LEGITIMATE PURPOSE”**

The dictionary meaning of the word legitimate is:



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- a thing in accordance with law or established legal forms and requirements;
- conforming to recognized principles or accepted rules and standards

A legitimate act is one which is acceptable or recognized as genuine, valid or confirming to established codes, customs, rules or standards of conduct.

To determine an act as legitimate, the following test may be taken into consideration:

- Purpose** – The purpose of sharing the information should be within the ambit of law or in furtherance of discharge of official duties.
- Necessity** – The purpose of sharing an information should be necessitated by law or should be as per the official duties. Legitimacy of an activity can be tested in relation to another activity. It should be essential to achieve the desired results/ complete the activities assigned.
- Balance** – There should not be any conflict of interest in the personal goals of an individual and organizational goals. An activity overridden by individual's interest or benefit cannot be termed as legitimate. For instance, where an information is shared for personal interest or benefit, the sharing of information cannot be termed as legitimate purpose.

Whilst these tests may help qualify an act for a legitimate purpose, it will vary from case to case basis that the information shared was for a legitimate purpose.

### Illustrations of legitimate purpose:

In following cases, which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

#### Statutory or Government Requirement:

For inspection, audit, investigation, inquiry or request for information by regulatory, statutory or governmental authorities or any other administrative body recognized by law; Example: Any call for information or query received from Government Authorities, Central Government, Securities and Exchange Board of India, Stock Exchange etc.

#### Legal Requirement:

As part of compliance with applicable laws, regulations, rules and requirements or under any proceedings or pursuant to any order of courts or tribunals; Example: Court of Law, National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.



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## Contractual Requirement:

Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking. Example: Due diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, etc.

## Auditing Purpose:

For audit by statutory, internal, concurrent, secretarial, management auditors or any other auditor as per the scope of audit.

## Corporate Restructuring:

Sharing of UPSI with parties during transactions such as takeovers, mergers and acquisitions involving trading in securities, change of control to assess potential investment, sharing of information with service providers with whom the Company has a contractual relationship where such service providers require access to UPSI in order to discharge their commercial obligations provided that such sharing has not been carried out to evade or circumvent the prohibitions under PIT Regulations.

Note: The list is for illustration purpose only and is indicative in nature, this shall not be considered as exhaustive.

## INSTITUTIONAL MECHANISM

The Company has devised an Institutional Mechanism as per the provisions of the Regulations to include the following:

- Internal controls to ensure compliance
- Obligations of Insiders
- Identification of UPSI and maintenance of its confidentiality
- Maintenance of structured digital database
- Chinese wall & other procedures

This mechanism will facilitate all concerned persons to adhere to their obligations and other compliance requirements under the Code.

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