

# Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

## Background:

Regulation (8) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates every listed Company to formulate a "**Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information**"(hereinafter referred to as the '**Code**') in adherence to the principles set out in Schedule A to the said Regulations and publish it on Company's official website.

This Policy is intended to lay down the principles and practices to be followed by **Commercial Syn Bags Limited** ("COMSYN") pertaining to disclosure of UPSI. The Company intends to follow best practices, duly compliant with Applicable Law, in the matter of disclosure of UPSI. Accordingly, the following Code was adopted by the Board of Directors of COMSYN, at its meeting held on 26<sup>th</sup> March, 2016 and which was amended from time to time in view of the amendments made in the SEBI (Prohibition of Insider Trading) Regulations 2015. Further in view of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from 1<sup>st</sup> April 2019, the Code has been amended from time to time by the Board of Directors at its meetings.

## I. Applicability:

This Code shall apply in relation to disclosure by the Company of UPSI. The scope, exceptions as given in Applicable Law shall be applicable for the purpose of this Code as well.

## II. Definitions:

**"Applicable Law"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and/or guidance notes as may be applicable in the matter of trading by an Insider.

**"Connected Person"** shall mean such persons as defined under the Regulations.

**"Chief Investor Relations Officer"** the Company Secretary and Compliance Officer of the Company has been appointed as Chief Investor Relations Officer, who shall act as the Chief Investor Relations Officer for the purpose of dealing with dissemination of Information and disclosure of UPSI as contained herein.

**"Insider"** means any person who is a connected person or in possession of or having access to UPSI.

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

- ✓ **"UPSI" 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 be restricted to, information relating to the following:–
  - i. financial results;

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- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- v. changes in Key Managerial Personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- vi. change in rating(s), other than ESG rating(s);
- vii. fund raising proposed to be undertaken;
- viii. agreements, by whatever name called, which may impact the management or control of the company;
- ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- x. resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- xii. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- xvii. such other matters as may be provided under the SEBI PIT Regulations, from time to time.
- xviii. such other information as may be determined as UPSI by the Board of Directors/ Managing Director/ Compliance Officer, from time to time.

**Explanation 1-** For the purpose of sub-clause (ix):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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**Explanation 2-** For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.”

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the SEBI PIT Regulations.

### **III.Prompt Disclosure:**

The Company shall ensure to make prompt public disclosure of unpublished price sensitive information that would impact price discovery, as soon as credible and concrete information comes into being in order to make such information generally available i.e. to make the information accessible to the public on a non-discriminatory basis.

### **IV.Uniform and Universal Dissemination:**

The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure of the same.

Unpublished price sensitive information shall be immediately disclosed/disseminated to Stock Exchanges so that information is generally available through publication on the website of stock exchanges. It will be ensured that no selective disclosure of unpublished price sensitive information is made by making prompt, uniform and universal dissemination of unpublished price sensitive information. In case unpublished price sensitive information gets disclosed selectively, inadvertently or otherwise, the Chief Investor Relations Officer shall ensure that such information is promptly disseminated to make such information generally available through publication on the website of stock exchanges.

### **V. Response to news reports:**

The Company shall ensure that appropriate and fair response is given to queries, news reports, requests for verification of market rumors by regulatory authorities.

### **VI. Sharing of information with analysts and research personnel:**

Whenever research analyst/research personnel meet or call is organized, Chief Investor Relations Officer shall be informed about such meet/call to ensure that information shared with analysts and research personnel is not unpublished price sensitive information and the Company is developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made, unless such Unpublished Price Sensitive Information is generally available information.

### **VII.Chinese-wall:**

Personnel working in concerned departments of the Company which are handling unpublished price sensitive information should not share such unpublished price sensitive information with personnel of other departments of the Company or outsiders except on a need-to-know basis.

### **VIII. Sharing of UPSI for legitimate purpose:**

- a) UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company if made public.

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- b) Till the UPSI becomes a generally available information, UPSI can be shared only on a need-to-know basis and for legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations
- sharing of relevant UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
  - sharing of relevant UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors;
  - auditors in order to avail professional services from them in relation to the subject matter of the UPSI;
  - sharing of relevant UPSI with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
  - sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information
  - sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.

**IX. Role of the Chief Investor Relations Officer:**

- Dealing with universal dissemination and disclosure of UPSI.
- Determination of questions as to whether any particular information amounts to UPSI.
- Determination of response, if any, of the Company to any market rumor in accordance with this Code.
- Dealing with any query received by any Insider about any UPSI.
- Providing advice to any Insider as to whether any particular information may be treated as UPSI.

If an Insider receives a query about any UPSI related to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code in consultation with Managing Director or CEO of the Company.

- X. The Compliance Officer shall maintain record of the details of the recipients including their PAN, address etc. of UPSI on legitimate purpose including the following:
- a. Whether the concerned UPSI is required to be shared?
  - b. Why the information is required by the recipient?
  - c. Who had shared the UPSI and whether he was authorised to do so?
  - d. Whether the Compliance Officer was intimated before such sharing of UPSI?
  - e. Whether non- disclosure agreements were signed?
  - f. Whether notice to maintain confidentiality of the shared UPSI has been given?

**XI. Disclosure Policy**

The Company shall ensure:

- prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- uniform and universal dissemination of UPSI to avoid selective disclosure.
- if an Insider 'selectively' discloses any UPSI to any person including the Selected Group of Persons then prompt disclosure of such information shall have to be made by the Chief Investor Relations Officer to the public. Such disclosure must be made not later than 48 hours after the Chief Investor Relations Officer learns that communication of such UPSI has taken place.

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- that information shared with analysts and research personnel is not UPSI.
- 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.

Subject to Applicable Law methods of public disclosure of information to ensure uniform distribution shall include either of the following-

- Distributing through Press Releases in newspapers or media including electronic media.
- Filing with the Stock Exchanges.
- Any other method that ensures wide distribution of the news such as webcasts and webinars.
- Uploading the information on the website of the company.

## **XII. Amendments to this Code**

Any amendment to this Code shall be done through a resolution passed at the Board meeting of the Company.

## **XII. Hosting of the Code**

This Code shall be hosted on the website of the Company.

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