

# **ASIAN PAINTS LIMITED**

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

Formulated on: 18<sup>th</sup> May, 2015  
First revision on: 22<sup>nd</sup> January, 2018  
Second revision on: 29<sup>th</sup> March, 2019  
Third revision on: 27<sup>th</sup> November, 2019

## **1. PHILOSOPHY**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'Insider Trading Regulations/Regulations'), requires the Board of Directors of the Company, whose securities are listed on a recognised Stock Exchange to frame a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. In compliance to the said Regulations, Asian Paints Limited (hereinafter referred to as 'APL/the Company') had formulated this Code which is called "ASIAN PAINTS LIMITED – CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (hereinafter referred to as "the Code of Fair Disclosure"). Pursuant to the amendments carried out in Regulations, the Code for Fair Disclosure is suitably amended with a view to bring them in line with the Regulations. The Code for Fair disclosure was approved by the Board of APL in its meeting held on 29<sup>th</sup> March, 2019 and shall be effective from 1<sup>st</sup> April, 2019.

The Code of Fair Disclosure is required for the Company to ensure timely and adequate disclosure of Unpublished Price Sensitive Information which would impact the price of the Company's securities, and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations.

Further, the Company endeavours to preserve the confidentiality of Unpublished Price Sensitive Information, to prevent misuse of such information and to disseminate accurate, timely and consistent non-proprietary information about its products, services and activities to all its stakeholders including its members.

At the same time, care will be taken in ensuring that all communication is responsible, ensuring protection of the Company's proprietary information and brand.

## **2. MEANING OF TERMS USED**

- a. "**Analyst**" means analysts, research personnel, brokers, large or institutional investors or any such other person that may be related to the media.
- b. "**Authorised Representatives**" are the persons permitted to speak with the media including social media and various members of financial community including investors on behalf of the Company, nominated by the MD & CEO or the Chief Financial Officer (CFO) of the Company under this policy. They must also be familiar with the Stock Exchanges' / SEBI rules and standards concerning dissemination of information.
- c. "**Board**" refers to Board of Directors of Asian Paints Limited.
- d. "**Chief Investor Relations Officer**" or "**CIRO**" shall mean the Chief Financial Officer & Company Secretary of the Company who will act as such for the purpose of this Code.
- e. "**Company**" or "**Asian Paints**" refers to Asian Paints Limited pursuant to this Code, having its Registered Office at 6A, Shantinagar, Santacruz (East) Mumbai – 400 055.
- f. "**Designated Person**" shall have the meaning ascribed to it in the Asian Paints Limited Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.
- g. "**Insider**" shall have the meaning ascribed to it in the Asian Paints Limited Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.
- h. "**Legitimate Purpose**" shall include sharing of Unpublished Price Sensitive Information by a Designated Person 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 Insider Trading Regulations as amended from time to time, in the ordinary course of business or otherwise in furtherance of such business activities as approved by the Board. As such, it is a legal standard which is subjective in nature and will need to be tested in each fact and specific instance.

- i. **"Quiet Period"** shall have the meaning ascribed to it in the Asian Paints Limited Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.
- j. **"Stock Exchanges"** means recognised exchanges on which the securities of the Company are listed i.e. BSE Limited and the National Stock Exchange of India Limited.
- k. **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- l. **"Unpublished Price Sensitive Information" or "UPSI"** means any information which relates directly or indirectly to Asian Paints Limited, or its Securities, that is generally not available, and which on being Generally Available, is likely to materially affect the price of Securities of Company 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, delisting, disposal and expansion of business and such other transactions;
  - e. changes in key managerial personnel; and
  - f. such other information as may be deemed to be constituted as UPSI by the Board and the Compliance Officer from time to time.

Words, terms and expressions used and not defined in this Code but defined in either the Asian Paints Limited Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons or Insider Trading Regulations or in 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, shall have the same meaning respectively assigned to them therein.

### **3. NORMS FOR DISCLOSURE OF UPSI**

- 1. UPSI shall be handled on a "need to know" basis, such that UPSI shall be disclosed only to those persons where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligation.

2. The Company shall promptly make any UPSI that would impact price discovery, public, no sooner than credible and concrete information comes into being in order to make such information generally available to the public on a non- discriminatory basis.
3. UPSI shall usually be disclosed by the Company through any of the following means:
  - (i) Intimation to the Stock Exchanges or any other Regulatory authorities as may be required from time to time; and / or
  - (ii) Publishing of information on the Company's corporate website viz., ([www.asianpaints.com](http://www.asianpaints.com)).
4. The disclosure of UPSI shall be on an immediate, uniform basis and will be universally disseminated. The CIRO may consider other ways of supplementing information released to Stock Exchanges by improving investor access to the public announcements made by the Company.
5. The disclosure/dissemination of UPSI shall only be made with the approval of CIRO in the manner and in accordance with this Code. No other employee is permitted to disclose UPSI about the Company to any stakeholder without the prior approval of the CIRO.

#### **4. CHIEF INVESTOR RELATIONS OFFICER (CIRO)**

1. The Chief Financial Officer and Company Secretary shall be the Chief Investor Relations Officer and he will report to the Managing Director & CEO of the Company.
2. The CIRO shall oversee corporate disclosures and be in charge of dissemination of information and disclosure of UPSI. The CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements and shall be responsible for the disclosure of UPSI to Stock Exchanges, on the website of the Company, and in the media.
3. The CIRO and Authorised Representatives shall ensure that information shared with analysts, research personnel or other persons related to the media is not Unpublished Price Sensitive Information.
4. If information that is UPSI or reasonably believed to be UPSI, is inadvertently or otherwise disclosed selectively, without prior approval of CIRO, the person responsible shall inform the CIRO immediately and the CIRO shall take prompt action to ensure such information is made generally available to the public on non-discriminatory basis.

## **5. MANNER OF DEALING WITH MEDIA, ANALYSTS AND INVESTORS**

- 1. Meetings with Analysts:** No employee, officer or director except the Authorised Representatives of the Company shall meet with any Analyst except as permitted in writing by the CIRO. All directors, officers and employees shall refer the requests received for meetings, conference calls and any communications with the Analysts to the MD & CEO and the CIRO or his/her designee(s).
- 2. No disclosure in the Quiet Period:** During the Quiet Period, the Authorised Representatives should refrain from interaction with the media. However, during the Quiet Period, the CIRO may provide answers to fact-based inquiries regarding information generally available received from Analysts.
- 3. Only Public information to be provided:** The Company shall provide only generally available information to any Analyst. In the event the Company provides any information that is not generally available, the said information shall be made generally available, at the earliest by the CIRO.
- 4. Recording of discussion:** In order to avoid misquoting or misrepresentation, at least two Authorised Representatives shall be present (i) at all meetings with Analysts and (ii) on all conference calls with Analysts, and discussions in such meetings or conference calls shall be recorded by the Company and transcripts of recordings of such meeting or conference calls shall be stored by the Company for a period of 1 (one) year. The transcripts of this call will be posted on the Company's website ([www.asianpaints.com](http://www.asianpaints.com)).
- 5. Media Interactions:** Any other function/ department / employee while interacting with the media or any public forum or gathering for Legitimate Purpose and in the ordinary course of business, must ensure compliance with this Code and any internal communication policy as may be applicable to them. Such function / department / employee shall ensure that only generally available information is shared for the aforesaid purpose. In the event of doubt, the concerned function / department / employee shall consult CIRO prior to interacting with media or any public forum or gathering and the decision of the CIRO shall be final.
- 6. Rumours and speculation about the Company:** Rumours and speculation about the Company can cause significant damage in the form of disruptions, negative publicity, loss of business and undermining of confidence in the Company. Any employee who becomes aware of such rumour

or speculation should immediately inform the CIRO. The CIRO will decide on the course of action that may be necessary, including issue of a public announcement as soon as possible or any other written form of communication. Responding to queries raised on news reports and requests for verification of market rumours by the regulatory authorities/ media/stock exchanges should only be done by the CIRO or his/ her designee(s).

## **6. CRITERIA FOR DETERMINATION OF LEGITIMATE PURPOSE FOR SHARING OF UPSI**

The sharing of UPSI shall be considered as for legitimate purposes, if it is in the ordinary course of business or otherwise in furtherance of such objectives as approved by the Board, 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 Insider Trading Regulations, this Code for Fair Disclosure or the Asian Paints Limited Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

When determining whether disclosure of UPSI is towards a Legitimate Purpose, the insider shall assess whether the disclosure of such UPSI is mandatorily required to achieve the intended objective and is in the best interests of the Company. No UPSI shall be disclosed in the event, the intended purpose or objective can be achieved without disclosure of UPSI, and such disclosure is otherwise not required to be disclosed in ordinary course.

Any Insider proposing to disclose any UPSI which is not covered under this Policy, then such disclosure shall necessarily require prior approval of the Board of Directors of the Company. The CIRO shall require sufficient details including reasons for such disclosure and the nature of UPSI proposed to be disclosed and if satisfied, shall seek necessary approvals from the Board at the subsequent meeting of Board of Directors of the Company.

Any disclosure of UPSI which is not for Legitimate Purpose will require prior approval of the Board if in the opinion of the Board sharing of such information is in the best interests of the company.

Any disclosure of UPSI towards discharge of legal obligations and performance of duties shall be deemed to be Legitimate Purpose and necessary Confidentiality agreements and non-disclosure agreements will need to be executed before sharing any UPSI in accordance with the Asian Paints Limited- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons. However,

this will not be applicable to requisition of information by a statutory authority in exercise of their powers under any law.

Illustrative list of Legitimate Purposes

In following cases, the sharing of UPSI would be considered as having been shared for a Legitimate Purpose:

- (a) Under any proceedings or pursuant to any order of courts or tribunals or assessment, proceedings under tax laws;  
*Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.*
- (b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;  
*Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.*
- (c) In compliance with applicable laws, regulations, rules and requirements;  
*Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.*
- (d) Arising out of any contractual obligations entered into by the Company set forth in any written contract, agreement, arrangement, settlement, understanding or undertaking in the ordinary course of business;
- (e) Sharing the information with intermediaries and fiduciaries such as Merchant bankers, management consultants, partners, collaborators or other advisors or consultants;
- (f) For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defence to be prepared for court cases;
- (g) For transactions that would entail an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as ‘Takeover Regulations’) where the Board of Directors of the Company are of opinion that sharing of such information is in the best interests of the Company;



- (h) For a transaction that does not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company. The transaction referred to above may include acquisitions, merger, amalgamations or any other corporate restructuring, seeking advice in relation to legal aspects involved in such transactions including carrying out due diligence of Target/ Merging Companies or seeking advice on commercial aspects including structuring or valuation of such transactions; and

The information that constitute UPSI needs to be made Generally Available at least two trading days prior to the proposed transaction being effected in such form as it is adequate and fair to cover all relevant and material facts.

- (i) Sharing information with Statutory Auditors, Secretarial Auditors, Internal Auditors or Cost Auditors while obtaining any certificate required for placing any transaction for approval before the Board.

Sharing of UPSI with a mala fide intention, for personal gain, or unauthorized disclosure, or to evade or circumvent the provisions of the Regulations etc. will be prohibited.

## **7. REVIEW OF CODE**

This Code will be reviewed by the Board and may be amended from time to time in line with any amendments made to the Insider Trading Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other guidelines or regulations issued by SEBI.

In the events of inconsistency of this Policy with SEBI Act or Insider Trading Regulations or any rules, regulations or circular prescribed thereunder, the relevant provisions of the applicable law shall override this Policy.

## **8. DISCLOSURE OF THE POLICY ON PUBLIC DOMAIN**

This Policy and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed and also published on the official website of the Company ([www.asianpaints.com](http://www.asianpaints.com)).