



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

### **PREAMBLE**

The Securities and Exchange Board of India ("SEBI") has, in pursuance of the powers conferred on it under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations"/ "PIT Regulations"). These Regulations are made applicable to all the companies whose securities are listed on Stock Exchange(s) and all unlisted companies whose securities are proposed to be listed on Stock Exchange(s). PIT Regulations provides that no insider shall communicate, provide or allow access to any UPSI, to any other person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Pursuant to the amendment in the above Regulations, Regulation 3(2A) requires every listed companies to formulate such policy for determination of "legitimate purpose" as a part of "Codes of Fair Disclosure and Conduct"

The Board of Directors of Nexxus Petro Industries Limited has formulated a policy for determination of "legitimate purposes" as a part of its "Codes of Fair Disclosure and Conduct", whereby to list down the instances or business transactions where an "insider" are allowed to communicate or to give an access of UPSI to any person in furtherance of legitimate purposes, which shall not be treated as illegal under this Regulations and which are required to be disclosed to other person in the ordinary course of business.

### **OBJECTIVE OF THE CODE**

This policy of legitimate purposes has been implemented with an objective to provide a guidelines to the Company and its insider, to communicate the UPSI in the ordinary course of business, which shall not be treated as illegal, with an objectives as outlined under this Regulations for various business transactions:

- a. to cast an obligation on all the insiders who are essentially persons in possession of UPSI to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis;
- b. to develop such practices in Company based on need-to-know principles for treatment of information in their possession;
- c. to impose a prohibition on unlawfully procuring possession of UPSI;
- d. to identify such instances whereby inducement and procurement of UPSI not in furtherance of one's legitimate duties and discharge of obligations would be illegal under PIT Regulations.

### **FLOW OF INFORMATION BY INSIDER FOR LEGITIMATE PURPOSE**

The communication or procurement or allowing access of UPSI, which relates to the Company or securities listed or proposed to be listed, in furtherance of legitimate purposes, performance of duties or discharge of legal obligation, will be considered as legitimate purpose, on fulfilling the certain grounds. Accordingly, legitimate purposes shall include the following instance to be considered as legal obligations:

- i. sharing of UPSI in the ordinary course of business by an insider within partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other



advisors or consultants, provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of PIT Regulations;

ii. sharing of UPSI in connection with an transaction which would entail an obligation on the Company to make an open offer under the takeover regulations, where the Board of Directors is of informed opinion that sharing such information is in the best interests of the Company;

iii. sharing of UPSI in connection with an transaction, which may not attract the open offer, but where Board of Directors is of informed opinion that sharing such information is in the best interests of the Company and that such information that constitute UPSI is generally made available at least two trading days prior to the proposed transaction being affected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

### **POSSESSION of UPSI – AN “INSIDER”**

Any person who is in receipt of UPSI pursuant to a “legitimate purposes” will be considered as “insider” under PIT Regulations. Such Insider shall ensure the confidentiality of UPSI until it has been disseminated to the public knowledge, unless it has been under the circumstances which has been defined to in accordance with the requirement of “legitimate purposes”.

Company will serve the notice to such “insider” to maintain the confidential of such UPSI, shared with them pursuant to the “legitimate purposes”. Company shall also execute a Non-Disclosure agreement with them, in order to ensure that “insider” shall not leak out the USPI for their own unlawful gains and to ensure the confidentiality of UPSI information. “Insider” shall not trade in the securities of the Company while possessing the UPSI of the Company till the time, such information has not been made to the public.

### **PREVENTION OF INSIDER TRADING BY “INSIDER” WHEN IN POSSESSION OF UPSI**

Insider shall not trade in securities of the Company after getting its securities listed or when it proposes to get its securities listed on stock exchange(s), when they are in possession of UPSI. The onus of proving his innocence lies on the Insider and the same can be proved by demonstrating the circumstances including the following:

i. the transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

ii. the transaction in question.

*Effective Date: 25<sup>th</sup> December, 2023*

*Date of Approval by Board of Directors: 25<sup>th</sup> December 2023*