

# **INDEX AGRO INDUSTRIES LIMITED**

MF Tower, Plot: GA-95/C, Pragati Sarani,  
Gulshan-1 Link Road, Dhaka-1212

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## **PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION AND PRICE SENSITIVE INFORMATION**

**APPROVED BY: BOARD OF DIRECTORS**

**DATED: 25/05/2023**

## **Principles of Disclosure of Material Information and Price Sensitive Information**

### **1. INTRODUCTION:**

This Principles shall be called “Principles of Disclosure of Material Information and Price Sensitive Information” of Index Agro Industries Limited and have been adopted by the Board of Directors of the Company in compliance with the Bangladesh Securities and Exchange Commission (prohibition of insider-trading) Regulations, 2022 published on Bangladesh Gazette dated 30 January 2023 (BSEC Notification No. BSEC/CMRRCD/2021-396/52/Admin/140 dated 28 December 2022). The Regulations require to formulate a policy on Disclosure of Material Information and Price Sensitive Information which shall be disclosed in the official website of the company.

### **2. OBJECTIVE:**

The objective of this policy is to ensure properly disclose all Material Information and Price Sensitive Information that may influence the market price of the company's shares and help the investors before making their investment decision in the company.

### **3. DEFINITIONS:**

“**Board of Directors**” shall mean Board of Directors of Index Agro Industries Limited;

“**Company**” shall mean Index Agro Industries Limited;

“**Commission**” shall mean Bangladesh Securities and Exchange Commission;

“**Stock Exchanges**” shall mean Dhaka and Chittagong Stock Exchange Limited;

“**Chief Executives**” shall mean top five (5) executives including Chief Executive Officer, Chief Financial Officer, and Company Secretary;

“**Insider**” shall mean Director, Sponsor, Employees, Beneficial Owners, Valuable Shareholder, Managing Agent, Banker, Auditor, Assets Valuator, Credit Rating Agency, Adviser, Stock Broker, Stock Dealer, Issue Manager, Portfolio Manager, Regulators, Stock Exchanges, Depository and other persons as defined in the Rules;

“**Insider trading**” shall mean sale or buy or transfer of shares by an insider based on any undisclosed price sensitive information;

“**Immediate Relative**” shall mean Parents, Spouse, Child or such a person who is financially dependent on the person or take advice from the person for investment in securities.

“**Material Information (MI)**” shall mean any information which is significant to the operations and performance of the Company and would be considered to make investment decision by a reasonable investor.

“**Price Sensitive Information (PSI)**” shall mean any information as mention in rule-3(1) of the Rules and as mention in this Principles.

“**Rules**” shall mean the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

“**Unpublished Price Sensitive Information**” shall mean any information of the Company which, if disclosed, may affect the market price of shares of the Company or may significant change of the net asset value of the Company. (Here significant shall mean 10% of net asset value of the Company or as time to time determined by the Commission).

**“Valuable Investor”** shall mean shareholder who holds ten percent (10%) or more shares of the Company.

#### **4. FACTORS TO BE CONSIDERED AS MATERIAL INFORMATION:**

As per the Rules, following information of the Company shall be considered as Material Information and shall be disclosed and disseminated accordingly:

##### **4.1. Changes of financial structure**

- a) Changes in Financial Statements i.e. remarkable increase or decrease of income, expenditure, cash flow, receivable/payable, revaluation of assets of the company:
- b) Comparison of Financial Statements
  - a. Earnings per share
  - b. Net operating cash flow per share
- c. Net asset value per share
- c) Remarkable changes in the values of assets or amalgamation of assets:
- d) Any instruction from the regulator for keeping provision for reserve or any changes:
- e) Any changes in accounting policy.

##### **4.2. Corporate declaration related information**

- a) Any decision regarding dividend;
- b) Any decision regarding the declaration or issuance of right or bonus shares to the shareholders;
- c) Corporate announcement or any other information regarding the availability of investors;
- d) Any changes in dividend distribution policy.

##### **4.3. Information regarding changes in corporate structure**

- a) Acquisition or dissolution of 5% or more existing assets;
- b) Merger of another company with the company or acquisition of significant shares of any company;
- c) Demerger of any unit of the company;
- d) Conversion or Dissolution of any unit of the company;
- e) Changes in activities by capital reorganization or amalgamation or demerger;
- f) Received take-over proposal from any company or received acquisition proposal of internal service of a company;
- g) Any changes in ownership which can impact in controlling of the company; and
- h) Changes of name or address of the company etc.

##### **4.4. Information regarding changes in capital structure**

- a) Any decision regarding private or public or right offer of securities or changes the capital structure;

- b) Planning for purchasing of shares or redemption of shares;
- c) Any decision for share consolidation, share exchange, conversion of any security into equity security or any conversion of debenture into share;
- d) Remarkable any changes in the security holder's right.

#### **4.5. Information regarding expansion, modification of business activities**

- a) Remarkable development or changes of any technology, production or establishment;
- b) Remarkable capital investment or any change of the company's object;
- c) Remarkable changes in new contracts, production, patent, service or business;
- d) Remarkable collection of long-term trade receivables;
- e) Resignation or discharge of CEO, CFO, Company Secretary or any changes in the Board;
- f) Changes of statutory auditors, compliance auditors or credit rating Company;
- g) Starting of any legal proceedings or development of regulatory affairs or any notable verdict or order;
- h) Delisting of securities or changes in the market category in stock exchanges;
- i) Remarkable management contract, investor relations agreement, service agreement or related party transactions or any other contract which can affect the financial statements;
- j) Any buy-sell decision of fixed assets or balancing, modernization, expansion and replacement (BMRE) or any new unit establishment-related information; and
- k) Remarkable advances or loans given/taken between the intercompany or subsidiary or associated company and transaction of any loans with the directors.

#### **4.6. Information on debt management**

- a) Borrowing and repayment of 25% or more loan of the paid up capital or net asset value whichever is higher;
- b) Mortgage/lien/pledge of remarkable assets and withdraw the mortgaged assets;
- c) Fail to repay bank loans in respect of Letter of Credit or Creditor's debt for more than 06 (six) months;
- d) Notable new loan agreements;
- e) Foreign loan contract or investment contract.

#### **4.7. Other information**

- a) Any important contract signing or earlier declared/signed contract cancelation or correction;
- b) Loss of any remarkable assets of the company or any incident to loss of impression of the company;
- c) Cancellation of any project as previously declared or any remarkable correction of it; and
- d) Any qualified report submitted by the auditors of the company.

## **5. FACTORS TO BE CONSIDERED AS PRICE SENSITIVE INFORMATION:**

As per the Rules, following information of the Company shall be considered as Price Sensitive Information and shall be disclosed and disseminated accordingly:

- a) Information related to financial statements and basic information related to financial results;
- b) Information related to dividend and corporate declaration;
- c) Information related to change in corporate structure i.e. amalgamation/merger, demerger, acquisition, dissolution, modification or transformation;
- d) Information related to change in capital structure;
- e) Information related to business expansion, modification, change in operations etc.;
- f) Any price sensitive event which is subject to approval of the regulators and submitted to the regulators for approval;
- g) Any price sensitive event after getting approval from the regulators, shall again consider as PSI;
- h) Any other information from MI considering its sensitivity on price of shares of the Company and which would be considered to make investment decision by a reasonable investor;
- i) Any other information as the Commission may determine from time to time vide any rules or regulations or order or directives or notifications or time to time through government Gazette notification.

## **6. DISCLOSURE PROCEDURE:**

The Company shall ensure timely disclosing of all Material Information (MI) and Price Sensitive Information (PSI) to the Commission, Stock Exchanges and other concerned regulators in accordance with the Condition No. 6 of Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 and such disclosure shall be posted on the website of the Company for a minimum period of three years.

## **7. PRESERVATION OF MI, PSI AND INSIDER INFORMATION:**

- a) The Company shall preserve its all published PSI and MI in its official website for minimum three (3) years;
- b) All events related to every single PSI shall preserve sequentially in a digital database;
- c) The Company shall preserve the information of its all Insider following the procedures as the Commission may determine from time to time.

**For Index Agro Industries Limited**

Sd/-

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**Md. Mazherul Quader**  
Chairman