

## **SOBHAGYA MERCANTILE LIMITED**

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### **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

#### **1. PREAMBLE**

The Board of directors of Sobhagya Mercantile Limited (The Company) has formulated disclosure policy setting out the code of practices and procedures (the Code) for fair disclosure of unpublished price sensitive information (UPSI) relating to the company and thereby adhere to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### **2. OBJECTIVE**

The objective of this Code is to formulate the code of practices and prescribed the procedures for fair disclosure of Unpublished Price Sensitive Information so as to ensure compliance with the continuous and timely disclosure obligations under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013 for uniform and universal dissemination of UPSI, to avoid selective disclosures and to provide to the Shareholders and Market with timely, direct and equal access to information issued by the Company and thereby promote Investors' confidence in the integrity and securities of the Company

#### **3. DEFINITIONS**

**"Unpublished Price Sensitive Information"** means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which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 including but not restricted to, information relating to the following: –

- i) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v) changes in key managerial personnel;

Any changes to the above definition that may be introduced by SEBI will be deemed to be incorporated into the above, and in the event of any inconsistencies, the definitions as laid out by SEBI from time to time will prevail.

#### **4. PRINCIPLES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- i) Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in /order to make such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.
- ii) Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.

- iii) Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- iv) Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- v) Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- vi) Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- vii) 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.
- viii) Handling of all unpublished price sensitive information on a need-to-know basis.

## **5. COMPANY'S POLICY ON DETERMINATION OF LEGITIMATE PURPOSE**

The term 'Legitimate purpose' means sharing of information by the Company, in the ordinary course of business, in furtherance of the Company's and stakeholders' interest, on a need to - know basis which includes sharing of UPSI with parties during substantial transactions such as takeovers, mergers and acquisitions involving trading in securities, change of control to assess potential investment or such other transactions as Board of directors of the Company may deem fit.

The person with whom the UPSI pertaining to the Company or its securities is shared shall be considered as 'Insider' under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and shall also be required to abide by the Company's internal Code of Conduct prohibiting insider trading, which means they can trade in the securities of the Company only in accordance with Regulations 3 and 4 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct. In addition to the above, the said Insider would also be bound by the terms of the Confidentiality and Non-Disclosure Agreement executed with the Company.

In the event the Board of Directors ('Board') is of informed opinion that the information with respect to the aforesaid transactions is credible and concrete to be generally made available, it will make a public disclosure of the same through the stock exchange mechanism, where the securities of the Company are listed, followed by a disclosure on its website.

## **6. LEGAL OBLIGATIONS**

Other than the cases as stated above, in furtherance of its legal obligations, the Company may be required to share UPSI with the Regulatory Authorities and/or Persons, in the events such as:

- a) While the Company is evaluating various corporate actions, it may have to seek informal opinion/views from the Regulators, seek such approvals or regulatory exemptions, as may necessary to consummate the corporate action;
- b) Arising out of legal obligations to report to the various authorities under applicable laws or otherwise

- c) Arising out of legal obligations to undertake compliance of the provisions of law such as Companies Act, 2013, Accounting Standards, Competition Act, etc.;
- d) In order to protect the vital interest of the Company during litigation

The Company while submitting the aforesaid information to the Regulators, although will claim confidentiality over the UPSI shared, however, it would not have visibility nor control over any further dissemination of information by such Regulators.

## **7. DISSEMINATION OF UPSI AND CHIEF INVESTOR RELATION OFFICER**

Managing Director, Director and Whole-time Directors of the Company will be responsible for approval of making any announcements to the Stock Exchanges and Public. They will also ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently and to ensure that such information is generally available.

The Compliance Officer of the Company shall be the Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.

Managing Director, Director, Whole time directors, Chief Financial Officer and Compliance Officer can make communications pertaining to UPSI with the Stock Exchanges and Public.

## **8. AMENDMENT**

Any change in this Code shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Code or the entire Code, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.