

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UPSI



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CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. BACKGROUND

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) mandates every listed company to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

In this regard, Board of Directors of Sumedha Fiscal Services Ltd. (**“SFSL/Company”**) has laid down this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“the Code”) for adoption.

2. OBJECTIVE

The Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company’s securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

3. SCOPE

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

4. DEFINITION

- a. “Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. “Board” means the Board of Directors of the Company.
- c. “Code” means this Policy, as amended from time to time.
- d. “Company” means Sumedha Fiscal Services Limited.
- e. “Listing Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. “Rules” means the rules made under the Companies Act, 2013.
- g. “SEBI” means the Securities and Exchange Board of India.

- h. “Stock Exchange(s)” means Exchange, where the Equity Shares of the Company are listed.
- i. “Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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. Periodical financial results of the Company;
 - ii. Intended declaration of dividends;
 - iii. change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company’s shares;
 - iv. Mergers, De-mergers, Acquisitions, Delisting, Disposals and expansions 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; 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;
 - xiii. outcome of any litigation(s) or dispute(s) which may have an impact on the company;
 - xiv. 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;
 - xv. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
 - xvi. Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, 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.

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.

Note: Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the 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 the Rules and Regulations made there under shall have the meanings respectively assigned to them in those legislation.

5. PRINCIPLES OF FAIR DISCLOSURE

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information:

- a. Prompt public disclosure of unpublished price sensitive information that would impact price discovery, as soon as it has credible and concrete information, in order to make such information generally available.
- b. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- c. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- d. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information. The Company shall be careful while answering to the queries of analysts. Unanticipated questions shall be taken on notice and a considered response shall be given later.
- e. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website to ensure official confirmation and documentation of disclosures made.

- f. Handling of all unpublished price sensitive information on a need-to-know basis. Unpublished price sensitive information shall be disclosed to Company officials only after a proper clarification is sought as to the purpose for which the information is needed.

6. CHIEF INVESTOR RELATIONS OFFICER (“CIO”)

- i. The Compliance Officer of the Company is designated as the Chief Investor Relations Officer and is responsible for dissemination of information and disclosure of UPSI.
- ii. The Compliance Officer is also responsible for ensuring compliance under this code, overseeing and coordinating disclosure of UPSI to stock exchanges, shareholders, analysts and media and for educating SFSL’s staff on disclosure policies and procedure.
- iii. All UPSI is to be handled on “need to know basis”, i.e., UPSI should be disclosed only to those within SFSL who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the Compliance Officer.

Powers & Duties of Chief Investor Relations Officer:

- a. Other than information which is price sensitive in accordance with the Companies Act 2013, the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other applicable law for the time being in force, the CIO in consultation with the Managing Director & Chief Financial Officer (CFO) shall decide whether an information is price sensitive or not.
- b. The CIO shall ensure that disclosure to Stock Exchanges is made promptly.
- c. All information disclosure/dissemination may normally be approved in advance by the CIO. In case information is accidentally disclosed without prior approval of CIO, the person responsible shall immediately inform the CIO.
- d. The CIO shall ensure that no unpublished price sensitive information is disclosed selectively to any one or group of research analysts or investors to the disadvantage of other stakeholders.
- e. Any queries or requests for verification of market rumor(s) by the Regulatory Authorities shall be forwarded to the CIO, who shall decide on the clarification to be provided.
- f. The CIO shall decide whether a public announcement is necessary for verifying or denying any rumor(s).

7. PROMPT DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

- a. SFSL will ensure that any event which has a bearing on the share price of the Company shall be disseminated promptly upon the conclusion of the event, by communicating the same to the stock exchanges in accordance with the PIT regulations.
- b. To ensure that the information is disseminated in a uniform manner, SFSL will transmit the information to all the stock exchanges where the securities of the Company are listed, at the same time and shall also publish the same on the website of the Company viz. www.sumedhafiscal.com.

8. DISCLOSURE WITH REFERENCE TO ANALYSTS/ MEDIA:

- a. All UPSI shall be first communicated to the stock exchanges before the same is shared with Analyst and Research personnel
- b. Transcript of the meetings / concalls with Analysts shall be furnished to the stock exchanges and then posted on SFSL'S website.

9. RESPONDING TO MARKET RUMOURS:

The Compliance Officer and/or any other official(s) (“spokesperson”) authorized by the Board of Directors of the Company shall give an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and making disclosures.

10. SHARING OF UPSI FOR LEGITIMATE PURPOSE:

The UPSI shall be shared by any person(s) authorized by the Board of Directors or CIO of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;

- a. Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- b. Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
- c. Sharing of UPSI for discharge of legal obligation(s).
- d. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIO of the Company.
- e. Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

11. ISSUE OF NOTICE TO THE RECIPIENT OF UPSI

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons -

- a. To make aware such person that the information shared is or would be UPSI.
- b. To make aware to such person the duties and responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted.
- c. To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

12. DIGITAL DATABASE OF RECIPIENT OF UPSI

The CIO shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared under this regulation, which shall contain the following information -

- a. Name of such recipient of UPSI;
- b. Name of the Organization or entity to whom the recipient represent
- c. Postal Address and E-mail ID of such recipient
- d. Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The CIO shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.

Provided that entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information.

13. AMENDMENTS AND LIMITATION

This Code may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force. In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under

this Code, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Further, in the event of any conflict between the provisions of this Code or any other statutory enactments or rules and SEBI Insider Trading Regulations or statutory enactments or Rules made thereto, shall prevail over this Code.

14. INTERPRETATION

In any circumstance where the terms of this Code differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the law, rule, regulation or standard.

15. DISSEMINATION OF POLICY

The Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges.

This Code shall be hosted on the website of the Company at *www.sumedhafiscal.com*.
