



CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

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

SODHANI CAPITAL LIMITED

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1. **Background**

In terms of the requirement stated under Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“The Regulations”), mandate every Listed Company to formulate and publish on its official website, code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in the regulations.

In line with the requirements of law and to ensure compliance, the Board of Directors of Sodhani Capital Limited (the “Company”) has adopted this Code.

2. **Objective**

This Insider Trading Policy is enforced to maintain the highest ethical standards of dealing in securities of the company by the person to whom it is applicable. The provisions of the insider trading policy are designed to regulate, monitor and report trading by insiders in the securities of the company.

3. **Definitions**

- a) **Insider Trading** shall have the meaning set forth in the Companies Act, 2013.
- b) **Insider** means any person who is:
 - i. a connected person (as defined in regulation 2(d) of PIT regulations); or
 - ii. in possession of or having access to unpublished price sensitive information;
- c) **Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to a company or its securities, directly or indirectly, that is not generally available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 include but not restricted to, information relating to the following: –
 - i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, de listings, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel
- d) **Legitimate Purpose:**

shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business by an insider with partner(s), collaborator(s) lender(s), customer(s), supplier(s), merchant banker(s), banker(s), legal advisor(s), auditor(s), Insolvency professional(s) or other advisor(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations.



e) **Chief Investor Relation Officer (“CIO”)**: shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Prohibition of Insider Trading) Regulations, 2015.

4. **Duties of Compliance Officer**

- a) He shall maintain a record of designated employees and any changes made to the list of Connected Persons.
- b) He may in consultation with the CEO / Board of Directors and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof to all concerned.
- c) He shall maintain a record of Prohibited Period specified from time to time.
- d) He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-clearing of Designated Employees and their dependents’ trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.
- e) He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.
- f) He shall place before the CEO / Board of Directors, on a monthly basis all the details of the dealing in the securities by Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
- g) He shall from time to time inform the Stock Exchanges of any Price Sensitive Information on immediate basis.
- h) He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received.
- i) He shall be responsible for overseeing and coordinating disclosure of Price Sensitive Information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the CEO / Board of Directors.
- j) He shall inform SEBI of any violation of the PIT Regulations within 7 days of knowledge of violation.
- k) The Compliance officer inform SEBI of any violation of PIT regulation within the 7 Days of Knowledge of Violation.



5. **Preservation of Price Sensitive Information**

Directors, Designated Employees, Officers shall maintain the confidentiality of all Price Sensitive Information. Employees / Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following practices should be followed in this regard:

➤ **Need to know**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the Company 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 information.

➤ **Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

6. **Prohibition on Dealing, Communicating or Counselling on matters relating to Insider Trading**

No Insider shall:

- Either on his own behalf, or on behalf of any other person, deals in securities of the Company when in the possession of any unpublished price sensitive information; or
- communicates, counsel or procures, directly or indirectly any unpublished price sensitive information to any person. However, these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

7. **Trading Restrictions**

All Directors / Officers and designated employees of the Company shall be subject to trading restrictions as enumerated below: -

Trading Window: The period prior to declaration of Price Sensitive Information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information. During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities. The Directors, Officers and



Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

The trading window shall be, inter alia, closed at the time of:

- Declaration of Financial results (quarterly, half-yearly and annual);
- Declaration of dividends (interim and final);
- Issue of securities by way of public / rights / bonus, etc.;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers, takeovers and buy-back;
- Disposal of whole or substantially whole of the undertaking;
- Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities;
- Litigation/dispute with a material impact;
- Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;
- The period of closure shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, up to 24 hours after the Price sensitive information is submitted to the Stock Exchange.
- The trading window shall be opened 24 hours after the Price Sensitive Information is made public.
- All Directors, Officers, Designated Employees of the Company shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.
- In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

8. Pre-Clearance of Trades

- a) All Designated persons of the Company who intend to deal, on their behalf and/ or on behalf of their dependent family members, in the securities of the Company and where the number of shares intended to be dealt exceeds 1000 shares in single trade and 3000 shares in a week, should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
- b) Any precleared trade not executed by the designated person within 7 days of its pre-clearance would require fresh clearance for the trades to be executed.
- c) An application may be made in the prescribed format, to the Compliance Officer indicating the estimated number of securities that the Designated person intends



to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be specified in this behalf.

- d) Along with the request for pre-clearance of transaction, an undertaking shall be executed in favour of the Company by such Designated person, that he is not in possession of UPSI.
- e) An undertaking shall be executed by the director/ officer/ Designated employee as per the format annexed herewith as per prescribed format.
- f) No contra trade shall be executed by the Designated person within the period six months from date of execution of the pre-cleared trade.
- g) The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.
- h) In case of execution of a contra trade, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the Board under the Act.

9. Institutional Mechanism for Prevention of Insider Trading

Our Company in consultation with Chief Executive Officer, Managing Director and other senior management personnel has put in place adequate and effective system of internal controls to ensure compliance with the requirements of Regulations, in order to prevent the insider trading which includes the following internal controls:

- i. all employees who have access to the UPSI are identified as Designated employee(s);
- ii. all the UPSI shall be identified and its confidentiality shall be maintained as per the requirement of these Regulations;
- iii. adequate restrictions have placed on communication or procurement of UPSI as required by these Regulations;
- iv. list of all employees and other persons has been maintained with whom UPSI is shared and confidentiality agreement to be signed with or notice to be served to all such employees and persons;
- v. periodic process review to evaluate effectiveness of such internal controls.



10. **Disclosures by Promoters, Members of Promoter Group, Directors and Key Managerial Personnel to the Company**

a) **Initial Disclosures**

On appointment as Key managerial personnel or a director of the Company or upon becoming the promoter or member of the promoter group, such person shall provide disclosure of his holding of securities of the Company to the Compliance Officer within seven days of such appointment or becoming promoter or member of the promoter group, as per the prescribed format.

b) **Continual Disclosures**

Every promoter, member of the promoter group, designated person and director of every company shall disclose, within 2 trading days, to the Compliance Officer, the number of securities acquired or disposed of, whether one transaction or in series of transactions over any calendar quarter and the value of such transactions is in excess of Rs 10 lakhs or such other value as may be specified, as per the prescribed format.

11. **Disclosures by Company to Stock Exchanges**

The Compliance Officer of the Company shall notify the particulars of such trading to the Stock Exchange within two trading days of receipt of the disclosure or from becoming aware of such information.

12. **Disclosures by Other Connected Person**

The Company may at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company as per the prescribed format and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with the Regulations. The disclosures made by the Promoters, members of the Promoter Group, Directors and Key Managerial Personnel to the Company and disclosure made by the Company to the Stock Exchange(s) under this chapter shall be maintained by the Company for a period of five years.



13. Code of Fair Disclosure and Conduct

The Board shall conduct the affairs of the Company in fair, transparent and ethical manner in the interest of the stakeholders.

- a) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) Uniform and universal dissemination of UPSI information to avoid selective disclosure.
- c) Unless otherwise resolved by the Board, the Company Secretary shall act as the chief investor relations officer to deal with dissemination of information and disclosure of UPSI.
- d) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e) Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- f) Ensuring that information shared with analysts and research personnel is not UPSI.
- g) 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.
- h) Handling of all UPSI on a need-to-know

14. 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 the PIT 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) 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 (as prescribed under the PIT Regulations or such



other regulation(s), as may be applicable for time being in force) and checks such as time stamping and audit trials to ensure non-tampering of such database.

15. Sanction for Violations

Any contravention of these regulations shall be dealt with by the Board in accordance with the Act.

16. Information to SEBI in case of violation of the PIT Regulations

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the PIT Regulations, SEBI shall be informed by the Company.

17. Amendment

The Board of Directors of the Company may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy, in case there is any change in applicable laws, rules & regulations.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed there under or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.
