

**SARVAMANGAL MERCANTILE CO. LIMITED**  
**(CIN: L51100MH1983PLC029600)**

**CODE OF CONDUCT FOR REGULATING & REPORTING OF TRADING BY INSIDERS AND  
FOR FAIR DISCLOSURE**  
*(Under regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015)*  
**(Effective from April 1, 2019)**

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FAIR DISCLOSURE, 2015**

**(As approved by the Board of Directors of the Company on 14<sup>th</sup> February, 2019)**

**CHAPTER I**  
**INTRODUCTION**

**1. Introduction:**

The Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the “the Regulations”) mandates every Listed Company and Company proposed to be listed to formulate and publish on its website a Policy for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the “UPSI”) i.e. information or events that could impact price of the securities of the Company, which the Listed Company would follow in order to adhere to each of the principles set out in Schedule A to the Regulations.

Accordingly, the Board of Directors of **SARVAMANGAL MERCANTILE CO. LIMITED** (hereinafter referred to as the “**Sarvamangal**”/“**the Company**”) had adopted this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the “the Code”) for adoption.

Subsequently, the Securities Exchange Board of India (hereinafter referred to as the “SEBI”) has amended the Regulations. To incorporate the changes made in Regulations in the Company’s Code of Conduct, the Board of Directors has amended the Code by passing a resolution on 14<sup>th</sup> February, 2019. The amended Code will be effective from April 1, 2019.

This Code is to be read with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as set out at **Annexure-I** and Policy for determination of legitimate purposes as set out at **Annexure -II**.

**2. The Policy and Obligations:**

The Company endeavors to preserve the confidentiality of 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.

Every Director and other Designated Persons of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Director and other Designated Persons may use his or her position or knowledge to gain personal benefit or to provide benefit to any third party.

### 3. Objective of the Code:

This Code is formulated with an intention to have a framework/policy for fair disclosure of information or events that could impact price of the securities of the Company in the market whereby having uniformity, transparency, fairness and prompt/timely disclosure of information in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

4. **Applicability:** This Code shall be applicable with effect from April 1, 2019.

### 5. Definitions:

For the purpose of this code the following terms shall have the meanings assigned to them hereunder:

- (i) **“SEBI Act” or “Act”** means the Securities and Exchange Board of India Act, 1992;
- (ii) **“Regulations”** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- (iii) **“the Company”** means Sarvamangal Mercantile Co. Limited;
- (iv) **“Code”** means this Code of Conduct for regulating & reporting trading by insiders and for fair disclosure, as modified from time to time;
- (v) **“Compliance Officer”** means any senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in the regulations under the overall supervision of the Board of Directors of the Company;

**“Explanation:** For the purpose of this clause, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.”

- (vi) **“Connected Person”** shall have the meaning given to it under Regulation 2(1)(d) of the Regulations, as amended from time to time, which presently reads as follows:
  - a. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access;

- b. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
- i. an immediate relative of connected persons; or
  - ii. a holding company or associate company or subsidiary company; or
  - iii. an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
  - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
  - v. an official of a stock exchange or of clearing house or corporation; or
  - vi. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - vii. a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
  - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - ix. a banker of the Company; or
  - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;

**(vii) “Designated Person(s)” shall mean and include:**

- a. All the Directors of the Company;
- b. Employees of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the Company by the Board;
- c. Employees of material subsidiaries of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the Company by the Board;
- d. All promoters of the Company and promoters who are individuals;
- e. Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the Company or ability to have access to unpublished price sensitive information;
- f. Any support staff of the Company such as IT staff or secretarial staff who have access to unpublished price sensitive information;
- g. Directors and employees of the holding company as informed by the holding company from time to time and approved by the Board;
- h. Every Employee in the finance, secretarial and legal department at the Corporate Office of the Company; and;
- i. Such other Employee(s) or Connected Person(s) or any person as specified by the Board of Directors in consultation with the Compliance Officer or as identified by the Compliance Officer from time to time on the basis of their role and function in

the Company and the access that such role and function would provide to the unpublished price sensitive information in addition to the seniority and professional designation and shall include the aforesaid categories in compliance with the objectives of this Code and the Regulations;

**(viii) “Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis;

(Information published on the website of a stock exchange or Company would ordinarily be considered generally available.)

**(ix) “Immediate Relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

**(x) “Insider”** means any person who is:

- a. a connected person; or
- b. in possession of or having access to unpublished price sensitive information;

**(xi) “Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

**(xii) “Promoter Group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

**(xiii) “Stock Exchange”** means:

- a. BSE Limited;
- b. National Stock Exchange of India Limited;
- c. Any other Stock Exchange on which Securities of the Company is Listed.

**(xiv) “Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly;

**(xv) “Trading Day”** means a day on which the recognized stock exchanges, where securities of the Company are listed, are open for trading;

**(xvi) “Trading Window”** means trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed;

**(xvii) “Unpublished Price Sensitive Information” or “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 including but not restricted to, information relating to the following:

- a. Declaration of financial results of the Company;
- b. Proposal to declare/recommend dividends (Interim and Final);
- c. Proposal to change in capital structure i.e. Issue of securities, buy - back of securities or forfeiture of shares or capital reduction or any other type of change in capital structure;
- d. Proposal with reference to Merger, De-merger, Amalgamation, Scheme of Arrangement, Acquisition, Takeover of another listed entity, De-listing of Securities, disposals, spin off or selling division of whole or substantially whole of the undertaking or major expansion of business and other similar transactions/events;
- e. Changes in key managerial personnel like, Managing Director/Whole-time Director/CEO/CFO/ CS, etc.
- f. Venturing into another line of business
- g. Any other matter as may be prescribed under any other Corporate Law to be UPSI; and
- h. Other information as the Compliance Officer may decide as UPSI.

**(xviii)** Words and expressions used and not defined in this Code but defined in the Regulations, SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, 2013 and Rules and Regulations made thereunder, shall have the meanings respectively assigned to them in those legislations/regulations.

## CHAPTER II

### CONFIDENTIALITY & COMMUNICATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

#### 6. Compliance Officer:

- 6.1 Any officer of the Company who is designated by the Board of Directors as the Compliance Officer for the purpose of the Code and the appointment of whom is intimated to the Stock Exchange.
- 6.2 The Compliance Officer shall report to the Chairman of the Audit Committee at such frequency as may be stipulated by the Board of Directors but not less than once in a year.
- 6.3 The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors.
- 6.4 A Record of Designated Persons shall be maintained by Corporate-HR under the overall supervision and control of the Compliance Officer and changes taking place in the list from time to time shall be incorporated therein.
- 6.5 The Compliance Officer shall provide any clarifications with regard to the implementation of this Code. The Company Secretary, if not appointed as Compliance Officer under the Regulation, shall assist the Compliance Officer in discharging this function.
- 6.6 The Compliance Officer shall designate a Senior Official of the Company to act as Compliance officer in his absence.

#### 7. Disclosure of Unpublished Price Sensitive Information:

The Compliance Officer shall follow the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as set out at **Annexure-I**.



**CHAPTER III  
TRADING RESTRICTIONS**

**8. Trading when in possession of unpublished price sensitive information**

8.1 No insider shall trade in securities that are listed or proposed to be listed on a Stock Exchange when in possession of UPSI.

**Explanation-** When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following:-

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

Provided that such UPSI was not obtained under Regulation 3(3) of the Regulations.

Provided further that such off-market trades shall be reported by the insiders to the Company within two working days. Every Company shall notify the particulars of such trades to the Stock Exchanges on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- b. 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 the provisions of the Regulations and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under Regulation 3(3) of the Regulations.

- c. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- d. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

- e. in the case of non-individual insiders: -

- (a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that the Regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

f. the trades were pursuant to a trading plan set up in accordance with Clause 11 of the Code.

8.2 In the case of connected persons the onus of establishing, that they were not in possession of UPSI, shall be on such connected persons and in other cases, the onus would be on the SEBI.

8.3 The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

## **9. Trading Window**

9.1 The trading window shall be closed during the time the information referred to in clause 5 (xvi) becomes generally available.

9.2 The Trading Window shall be inter-alia closed for not less than five days prior to Board Meeting to be convened for:

- a. consideration of declaration/recommendation of dividend (Interim or Final);
- b. change in capital structure like issue of securities by way of public/right/bonus, buy- back, etc.;
- c. approval of any mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other Transactions;
- d. For such period and for any such other material event as may be deemed fit by the Compliance Officer;

In respect of declaration of financial results, the Trading Window shall remain closed from the end of the respective quarter, half-year or financial year, as the case may be (without requiring the Compliance Officer to give the intimation for closure of Trading Window) and the Designated Persons and their immediate relatives shall not trade in the Company's securities during such period. Trading Window shall open after expiry of 48 (forty eight) hours after the financial results become generally available. The gap between clearance of accounts by audit committee and board meeting shall be as narrow as possible and preferably on the same day to avoid leakage of material information.

However, if the circumstances so warrants the time for closing the window may be increased or decreased by the Compliance Officer.

9.3 The trading window shall be opened 48 hours after information referred to in Clause 9.2 becomes generally available.

9.4 All Designated Persons and their immediate relatives shall conduct all their trading in the securities of the Company only in a valid trading window and shall not trade in Company's

Securities during the periods when trading window is closed, as referred to in clause 9.2 or during any other period as may be specified by the Company from time to time.

- 9.5 The trading window restrictions shall also be applicable to any person having contractual or fiduciary relation with the Company, such as Auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

### **Pre-clearance of Trades**

- 9.6 All Designated Persons and their immediate relatives who intend to trade in the securities of the Company above a minimum of 2,000 shares of the Company per transaction should pre-clear the transactions as per the pre-trading procedure as described hereunder.

- 9.7 An application shall be made in Form „PC-I“ to the Compliance Officer indicating the estimated number of securities that the Designated Persons or their immediate relatives intends to trade 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 required by any Rule made by the Company in this behalf.

- 9.8 All Designated Persons and their immediate relatives shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance is given. If the order is not executed within the aforementioned specified period, they must take pre-clearance for the transaction again.

- 9.9 In case the Designated Persons or his/her immediate relative decides not to execute the trade after securing pre-clearance, he/she shall inform the Compliance Officer of such decision along with reasons thereof immediately.

- 9.10 No Designated Persons or his/her immediate relative shall apply for pre-clearance of any proposed trade when the trading window is closed or if he/she is in possession of UPSI.

- 9.11 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

- 9.12 It shall be the responsibility of Designated Persons to ensure compliance of clauses 10.1 to 10.4 above in case of their immediate relatives also.

- 9.13 All Designated Employees who buy or sell any number of shares of the Company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction. Provided that this shall not be applicable for trades pursuant to exercise of stock options.

- 9.14 The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the regulations.

9.15 If a contra trade executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

## **10. Trading Plans**

10.1 An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

10.2 Such trading plan shall:-

- a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- b. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- c. entail trading for a period of not less than twelve months;
- d. not entail overlap of any period for which another trading plan is already in existence;
- e. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- f. not entail trading in securities for market abuse.

10.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Company's Code or the Regulations and shall be entitled to seek such express undertakings, as may be necessary, to enable such assessment and to approve and monitor the implementation of the plan.

10.4 Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

10.5 Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

10.6 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

10.7 Provided that the implementation of the trading plan shall not be commenced if any UPSI in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information.

10.8 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

### **11. Institutional Mechanism for Prevention of Insider Trading**

11.1 The Chief Executive Officer, Managing Director or such other analogous person of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in this Code or the Regulations to prevent insider trading.

11.2 The internal controls shall include the following:

- j. all employees who have access to UPSI are identified as designated persons;
- k. all the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of this Code or the Regulations;
- l. adequate restrictions shall be placed on communication or procurement of UPSI as required by this Code or the Regulations;
- m. lists of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons to maintain confidentiality;
- n. all other relevant requirements specified under this Code or the Regulations shall be complied with;
- o. Periodic process review to evaluate effectiveness of such internal controls.

11.3 The Board of Directors shall ensure that the Chief Executive Officer or the Managing Director ensures compliance with regulation 9 and sub-regulations (1) and (2) of the Regulations.

11.4 The Audit Committee of the Company shall review compliance with the provisions of the Code of Conduct and the Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

11.5 The Company shall formulate written policies and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI, which shall be approved by the Board of Directors and accordingly initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

11.6 The Company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

**CHAPTER IV**  
**REPORTING AND DISCLOSURE REQUIREMENTS**

**12. Disclosure Requirements:**

**12.1 Initial Disclosures**

<b>By Whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form</b>
Promoter/ Director/ KMP/Member of the promoter group to the Compliance Officer	Holding of securities of the Company as on date of appointment or becoming Promoter	Within seven days of such appointment or of becoming Promoter/Member of Promoter group	Form B

**Continual Disclosures**

<b>By Whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form</b>
Promoter/ Member of Promoter Group/Director/ Designated Person/Director to the Compliance Officer	Number of such securities acquired or disposed	Within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakh or such other value as may be specified. *disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.	Form C
Company	Details of above disclosure	Within two trading days of receipt of disclosure or becoming aware of such disclosure	Form D

12.2 Forms with regard to the Code forms part of this code.

12.3 The disclosures to be made by any person under clause 13.1 shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

12.4 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of clause 13.1.

12.5 The Compliance Officer shall maintain records of all the disclosures/declarations/undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.

12.6 The Compliance Officer shall report to the Chairman of the Audit Committee annually.

**CHAPTER V**  
**MISCELLANEOUS**

**13. Penalty for Contravention of the Code**

- 13.1 All Designated Persons and Connected Persons who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
- 13.2 All Designated Persons who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage, salary freeze, suspension, withholding of promotions etc.
- 13.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.
- 13.4 In case it is observed by the Company and/or Compliance Officer that there has been violation of the Regulations, SEBI shall be informed by the Company.

**14. Uploading of Code on Company's Website**

This Code and any amendments thereto shall be available on the website of the Company i.e.

<http://www.saravamangalmercantile.com/>

## **Annexure-I**

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

#### **Preamble**

The Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”) mandates every Listed Company to formulate and publish on its website a Policy for Fair Disclosure of Unpublished Price Sensitive Information (“UPSI”) i.e. information or events that could impact price of the securities of the Company, which the Listed Company would follow in order to adhere to each of the principles set out in Schedule A to the Regulations.

Accordingly, the Board of Directors of **SARVAMANGAL MERCANTILE CO. LIMITED** (“**SARVAMANGAL**”/“**the Company**”) has laid down this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“the Code”) for adoption.

This Code is to be read with the Policy for determination of legitimate purposes as set out in Annexure II.

#### **(A) Objective:**

This Code is formulated with an intention to have a framework/policy for fair disclosure of information or events that could impact price of the securities of the Company in the market whereby having uniformity, transparency, fairness and prompt/timely disclosure of information in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

#### **(B) Applicability**

This Code shall be applicable with effect from April 1, 2019.

#### **(C) Principles of Fair Disclosure:**

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information (“UPSI”):

1. Prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information generally available.
2. Uniform and universal dissemination of UPSI to avoid selective disclosure.
3. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
4. Appropriate, prompt and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.



5. Ensuring that information shared with analysts and research personnel is not UPSI. The Company shall be careful while answering to the queries of analysts and no UPSI, inadvertently or otherwise, shall be disclosed.
6. Records proceedings of meetings with analysts or Media to ensure official confirmation and documentation of disclosures made.
7. The UPSI should be shared only on need-to-know basis and for legitimate purpose after recording the name and identification details of person with whom UPSI is shared and intimating them to keep the said information confidential in consonance with the legitimate purpose policy marked Annexure II to this code.

**(D) Chief Investor Relations Officer (“CIRO”) for dissemination of information and disclosure of UPSI:**

1. The Compliance Officer of the Company under the Regulations will act as the Chief Investor Relations Officer and shall be responsible for dissemination of information and disclosure of UPSI.
2. The CIRO is also responsible for ensuring compliance of this code, overseeing and disclosing UPSI to stock exchanges, shareholders, analysts, media and other person. The CIRO shall take necessary steps to educate Company’s staff or connected person on disclosure policies and procedure under the Regulations.
3. To prevent the misuse of UPSI, the Company shall adopt a Chinese Wall policy and procedures, which separate those areas of the Company that routinely have access to UPSI like corporate finance department, offices of executive presidents and above, considered as “Inside areas” and rest of the areas considered as “Public areas”. All information shall be handled within the Company on a need-to-know basis. “Need to know” basis means that UPSI should be disclosed only to those who need the information to perform their duties or discharge legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. Persons in the Inside areas shall not communicate any UPSI to anyone in Public areas. UPSI can be communicated, provided, allowed access to or procured within a group of persons if such persons have been identified and secluded within a “Chinese wall” or information barrier by the CIRO from the rest of the Company for a particular purpose or for Sensitive Transactions or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the “Chinese wall”, and the execution of an undertaking by such persons to abstain and/or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI. In exceptional circumstances, persons from Public areas may be brought over/permitted to cross the Chinese wall and given UPSI on the basis of need-to-know criteria, under intimation to the CIRO. Persons shall be made aware of the duties and responsibilities attached to the receipt of UPSI, and the liability that attaches to misuse or unwarranted use of such information. All non-public information directly received by any person should immediately be reported to the head of the department.

4. All UPSI is to be handled on “need to know basis”, i.e., UPSI should be disclosed only to those who need the information to discharge their duty or guide the Company on compliance or completion of event/transaction and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
5. Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purpose of this Code and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with this Code and the Regulations.
6. No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities of the Company listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
7. The CIRO shall be intimated immediately in case any employee or connected person or other person receives UPSI from the sources/channel who is/are not supposed to have such information.
8. Notwithstanding anything contained in the Code, an UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
  - a. entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company;
  - b. not attract the obligation to make an open offer under the Takeover Regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

For the purpose of the above clauses, the parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause (D) 8 above and shall not otherwise trade in securities of the Company when in possession of UPSI.

**(E) Powers & Duties of Chief Investor Relations Officer:**

1. The CIRO, in consultation with the Chief Executive Officer (CEO) or Chief Financial Officer (CFO), shall decide whether an information, other than the information covered under this code, is price sensitive or not.
2. The CIRO shall ensure that UPSI or any event which has a bearing on the share price of the Company should be disclosed or disseminated promptly, uniformly (not selectively) and completely by communicating the same to the stock exchange(s) on which the Company's securities are listed and on the website of the Company, if required, in accordance with the Regulations or any other laws or Regulation applicable to the Company.

3. Any information/events which mentioned under this code, shall be disclosed/disseminated only after obtaining prior by the CIRO. In case any person accidentally disclosed/disseminated any UPSI without prior approval of CIRO, the said person shall immediately inform the CIRO.
4. Any queries or requests by the Regulatory Authorities for verification of market rumour/news report shall be forwarded to the CIRO, who shall decide on the clarification to be provided.

**(F) Disclosure to Analysts/Media:**

1. All UPSI shall be first communicated to the stock exchange(s) before sharing with Analyst/Research personnel or Media.
2. Records proceedings of meetings with analysts or Media, if possible, to ensure official confirmation and documentation of disclosures made.
3. Transcript of the meeting/con-call with analyst/Research personnel or Media shall be furnished to the stock exchange(s) and then posted on Company's website.

**(G) Responding to market rumours/news reports:**

If any regulatory authorities raise any query on news reports or requests for verification of market rumors then an official(s) of the Company, who is authorized by the Board of Directors of the Company, after discussion with CIRO or where no such person is authorized, CIRO shall give an appropriate and fair reply to the said query/request promptly. The said person or CIRO shall decide whether a public announcement is necessary to be given in response to the said rumours/news report and accordingly make the disclosures.

**(H) Notice along with sharing UPSI**

If any UPSI is shared with any person for legitimate purpose, the said person shall be deemed to be insider for this code or the Regulations. While sharing the UPSI, a notice shall also be given to such persons in the format given in "Annexure - A" to this code informing the said person that the information shared is or would be UPSI and duties and responsibilities attached with such UPSI shared. The said person shall also be asked to keep the said UPSI confidential and made aware about the consequences of any misuse of UPSI.

**(I) Digital Database of the person with whom UPSI has been shared**

The CIRO shall be responsible to maintain a structured digital database of such persons with whom UPSI is shared under this Code, which shall contain the following information:

1. Name, address and e-mail ID of such recipient of UPSI;
2. Name of the Organization or entity to whom the recipient represent, if applicable, and his designation;
3. Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The CIRO shall ensure that above databases shall be maintained with adequate internal controls and checks, such as time stamping and audit trails, to ensure non-tampering of such database. Further, the said database should be maintained at least a period of five (5) years.

**(J) Amendment**

The Board of Directors of the Company, in view of changes in applicable Laws, Rules or Regulations, may amend/ substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code under intimation to the Stock Exchange(s) where the securities of the Company are listed.

In any circumstance where the terms of the Code differ from any Law, Rule or Regulation, etc. for the time being in force, the provisions of the said Law, Rule or Regulation shall have overriding effect over the Code.

**Annexure-A**

Notice to the person with whom Unpublished Price Sensitive Information (UPSI) is shared **(Pursuant to Regulation 3(2B) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Practices and Procedures for Fair Disclosure of UPSI)**

Date:

To,  
Mr. /Mrs. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sir/Madam,

**Sub.:** Notice pursuant to Regulation 3(2B) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Practices and Procedures for Fair Disclosure of UPSI

Pursuant to Regulation 3(2B) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Practices and Procedures for Fair Disclosure of UPSI, we wish to inform you that:

1. the information shared is or would be Unpublished Price Sensitive Information (UPSI);
2. On receipt of this information it is your duty and responsibility to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations
3. You will be liable for any misuse of the said UPSI.
4. You should use the said information only for the limited purpose for which it was given.
5. You should always comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 while dealing with said UPSI.

Kindly acknowledge the receipt of this Notice and adhere with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Thanking you,  
For **SARVAMANGAL MERCANTILE CO. LIMITED,**

\_\_\_\_\_  
Authorized Person

## **Annexure-II**

### **Policy for determination of Legitimate Purposes**

#### **A. PREFACE**

This Policy is formulated in compliance to the provisions of Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("the Regulations"), effective from April 1, 2019, which provides for that, listed entities are required to make a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" formulated under regulation 8.

This Policy will be applicable on all "insiders" and will be effective from April 1, 2019. Any subsequent modification and/or amendments brought about by SEBI in the SEBI (Prohibition of Insider Trading) Regulation, 2015 shall automatically apply on this Policy.

Words and expressions used and not defined in this Policy or in the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("The Code"), shall derive their meaning from the Regulation.

#### **B. DETERMINATION OF LEGITIMATE PURPOSE**

1. "Legitimate purpose" shall include sharing of unpublished price sensitive information ("UPSI") in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
2. What shall constitute "legitimate purpose" and what shall not constitute "legitimate purpose" will be based on the business related needs of the Company. In general, legitimate purpose shall, inter-alia, include the following purposes:
  - a) Audit Purpose;
  - b) Contractual Obligation;
  - c) Legal Obligation;
  - d) Any other specific purpose based on the business related needs of the Company; and
  - e) Other administrative purposes.
3. The purpose of providing information for a legitimate purpose must be compatible with a declared and specified purpose and should not be contrary to law, morals or any public policy.
4. The information recipient must be clearly instructed to obtain the Company's written consent in case the information provided to such recipient is used by such recipient for another purpose other than the initial legitimate purpose for which the Company had provided the UPSI, If the Company concludes that, the secondary purpose is a "legitimate purpose", the Company may grant consent for the same to the users of the information.

### **C. PRINCIPLES**

1. All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations
2. The information provided for the legitimate purpose must not be excessive in relation to the declared purpose. It must be ensured that, providing such information is necessary for its intended purpose
3. The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom the information is shared under this Regulation along with the Permanent Account Number or any other identifier authorized by law, where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

### **D. SHARING OF UPSI FOR LEGITIMATE PURPOSE:**

The UPSI shall be shared by any person(s) authorized by the Board of Directors or Chief Investor Relations Officer (“CIRO”) of the Company in its behalf, only in furtherance of legitimate purpose(s), subject to compliance or restrictions as provided under the Regulations or any other law for the time being in force in this behalf or the Code, which shall include but not limited to the following:

1. 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;
2. Sharing of UPSI where such communication is in furtherance of performance of duty(ies);
3. Sharing of UPSI for discharge of legal obligation(s) or pursuant to any order of any Regulatory Authorities or Court or Tribunal or any Judicial or quasi-judicial Authorities;
4. Sharing of UPSI for purpose mentioned in Clause B(2) of this Policy;
5. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIRO of the Company for completing any transaction or taking any decision.
6. Sharing of UPSI for any other purpose as may be prescribed under any Law or Regulations, for the time being in force, in this behalf.

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

### **E. POWER OF THE BOARD OF DIRECTORS**

The CIRO, subject to the approval of the Board of Directors reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

The Board may on its own or on the recommendation of the Audit Committee, establish further rules and procedures, from time to time, to give effect to the intent of this Policy and to further the objective of good corporate governance.

The decision of the Board of Directors of the Company with regard to any or all matters relating to this Policy shall be final and binding on all concerned.

**F. DISCIPLINARY ACTION**

The Audit Committee, subject to approval of the Board of Directors, may take appropriate action against any person who violates the provisions of this Policy. Disciplinary action may include penalizing the concerned person. Where the Company has suffered a loss due to violation of the Policy, it may pursue its legal remedies against such person(s).



**Annexure III**  
**Specimen of Application for pre-dealing approval**

Date:

To,  
The Compliance Officer,  
**Sarvamangal Mercantile Co. Limited**, Mumbai

Dear Sir/Madam,

**Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1. Name of the applicant:	
2. Designation:	
3. Number of securities held as on date:	
4. Folio No. / DP ID / Client ID No.):	
5. The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
6. Proposed date of dealing in securities:	
7. Type and Estimated number of securities proposed to be acquired/subscribed/sold:	
8. Price at which the transaction is proposed:	
9. Current market price (as on date of application):	
10. Whether the proposed transaction will be through stock exchange or off-market deal	
11. Folio No. / DP ID / Client ID No. where the securities will be credited / debited:	

**Annexure IV  
Format of Undertaking**

**FORMAT OF UNDERTAKING / DECLARATION TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE**

To,  
The Compliance Officer,  
**Sarvamangal Mercantile Co. Limited**, Mumbai

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_(Number)\_\_\_\_\_ (Type of Securities) of the Company as Mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished price sensitive information (as defined in the Company's Code of Conduct) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as unpublished price sensitive information as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within two days of execution of the transaction / a „Nil“ report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within seven days of the receipt of approval failing which I shall seek pre-clearance again.

I declare that I have made full and true disclosure in the matter.

Date:

Signature:

**Annexure V**

**Format for Pre-clearance**

To,

Name:

Designation:

Address:

This is to inform you that your request for dealing in \_\_\_\_\_(numbers)  
\_\_\_\_\_ (Type of Securities) of the Company as mentioned in your application dated  
\_\_\_\_\_ is approved/ not approved. Please note that the said transaction must be  
completed on or before \_\_\_\_\_ (date) that is within 7 (seven) days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 (two) days from the date of transaction/deal. In case the transaction is not undertaken a „Nil“ report shall be necessary.

Yours faithfully,

For **Sarvamangal Mercantile Co. Limited,**

\_\_\_\_\_  
Compliance Officer

Date: \_\_\_\_\_

Encl: Format for submission of details of transaction

## Annexure VI

### Format for disclosure of transactions

(To be submitted within two days of transaction / dealing in securities of the Company)

To,  
The Compliance Officer,  
**Sarvamangal Mercantile Co. Limited**, Mumbai

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company OR
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date)

Name of holder	No. of securities dealt with	Bought/sold/subscribed	DP ID/Client ID / Folio No	Price per security (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (Applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature:

Name:

Designation:

Date:

## Annexure VII

### Format for initial disclosure of securities

To,  
The Compliance Officer,  
**Sarvamangal Mercantile Co. Limited**, Mumbai

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on \_\_\_\_\_ (date of becoming Designated Person).

#### I. Details of securities held by me:

Type of Securities	No. of securities held	Folio No	Beneficiary Client ID	A/c

#### II. Details of the Immediate Relative(s):

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code Conduct, I hereby declare that I have the following dependents:

Sr. No.	Name of the Immediate Relative	Relation with Director / Officer / Designated Employee	PAN	Mobile No.

#### III. Details of securities held by the Immediate Relative(s):

Name of Immediate Relative	Relationship	Type of securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

Signature: \_\_\_\_\_

Name:

Designation:

Date: \_\_\_\_\_

## Annexure VIII

### Disclosure of change in shareholding

The Compliance Officer,  
**Sarvamangal Mercantile Company Limited,**  
sMumbai

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of change in holding of securities of the Company:

<i>Name, PAN No. &amp; address of shareholder</i>	<i>No. of securities held before the transaction</i>	<i>Receipt of allotment advice/acquisition of/sale of securities</i>	<i>Nature of transaction &amp; quantity Purchase/Sale/ Others</i>	<i>Trading member through whom the trade was executed with SEBI Registration No. of the TM</i>	<i>Exchange on which the trade was executed</i>

#### Details of change in securities held by dependent family members:

<i>Name, PAN No. &amp; address of shareholder</i>	<i>No. of securities held before the transaction</i>	<i>Receipt of allotment advice/acquisition of/sale of securities</i>	<i>Nature of transaction &amp; quantity Purchase/Sale/ Others</i>	<i>Trading member through whom the trade was executed with SEBI Registration No. of the TM</i>	<i>Exchange on which the trade was executed</i>

I/We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

I hereby declare that the above details are true, correct and complete in all respects.

Signature: \_\_\_\_\_

Name:

Designation:

Date: \_\_\_\_\_