

SOFCOM SYSTEMS LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

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OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The Securities and Exchange Board of India (“SEBI” or “the Board”) vide Notification No. LADNRO/GN/2014-15/21/85 has issued SEBI (Prohibition of Insider Trading) Regulations, 2015 which come into effect from 15th May, 2015 and further amended in accordance with the Notification on 31st December, 2018.

Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is to frame Code of Practices and Procedures to ensure fair disclosure of unpublished price sensitive information. Therefore, the Company has prepared the Code of Practices and Procedures to ensure fair disclosure of unpublished price sensitive information as under which is in line with the model code given under ‘Schedule A’ of the SEBI (Prohibition of Insider Trading) Regulations, 2015

2.0 (A) Definition:

2.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.

2.2 “**Board**” means the Securities and Exchange Board of India.

2.3 “**CODE**” means this Internal Code of Conduct for Prevention of Insider Trading in Dealing with Securities of **Sofcom Systems Limited** including modification made thereto from time to time by the Company.

2.4 “**Company**” means Sofcom Systems Limited.

2.5 “**Compliance Officer**” for the purpose of these regulations means the Company Secretary of the Company. In absence of the Company Secretary, the Board of Directors may authorize any other officer of the Company to discharge the duties of Compliance Officer under the regulations.

2.6 “**Connected person**” means:-

(i) any person who is or has during the six months prior to the concerned act been associated with the 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) 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:-

- (a) an immediate relative of connected persons specified in clause (i); or
- (b) a holding company or associate company or subsidiary company; or
- (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (d) an investment company, trustee company, asset management company or an employee or director thereof; or
- (e) an official of a stock exchange or of clearing house or corporation; or
- (f) 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
- (g) 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
- (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (i) a banker of the company; or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

2.7 “**Designated Employees**” shall include:

- i) All Directors;
- ii) Other executives officers comprising the top three tiers of the company management
- iii) the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct

2.8 “**Designated Persons**” shall include:

- (i) Connected Persons
- (ii) Designated Employees

2.9 “**Generally available information**” means information that is accessible to the public on a non-discriminatory basis.

NOTE: It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.

2.10“**Immediate Relative**” shall mean 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.

2.11 “**Insider**” means any person who is:

- i) a Designated Person; or
- ii) in possession of or having access to unpublished price sensitive information.

2.12 “**Key managerial personnel**” (KMP), in relation to the Company, means –

- i) The Chairman & Managing Director;
- ii) The Whole-Time Director;
- iii) the Chief Executive Officer;
- iv) the Company Secretary;
- v) Such other officer as may be prescribed under the Companies Act, 2013.

2.13 ‘**Regulations**’ means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendment thereof.

2.14 “**Securities**” includes the following Securities issued by the Company from time to time:

- (i) shares, scrips, bonds, debentures, debenture stock or other marketable Securities of a like nature,
- (ii) futures, options, derivatives or hybrids in relation to shares of the Company,
- (iii) such other instruments recognized as Securities.

2.15 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

2.16 "**Trading day**" means a day on which the recognized stock exchanges are open for trading.

2.17 "**Unpublished price sensitive information**" means any information, relating to the 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, delisting, disposals and expansion of Business and such other transactions;
- v) changes in key managerial personnel; and

The Board of Directors of the Company has designated Managing Director of the Company as Chief Investor Relation officer and Company Secretary as Compliance Officer for the purpose of determining the information and timing of dissemination of unpublished price sensitive information. He shall report to the Board of Directors.

The Chief Investor Relations Officer and Compliance Officer shall ensure the following-

1. The Company will make 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.
2. The Company will make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Managing Director appointed under the Regulations shall act as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

4. The Company will make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

5. The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

6. The Company will ensure that information shared with analysts and research personnel is not unpublished price sensitive information.

7. The Company will develop 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.

8. The Company will ensure handling of all unpublished price sensitive information on a need-to know basis.

9. The following guidelines shall be followed while dealing with analysts and institutional investors:

(i) only public information to be provided; and

(ii) Company representative to be present at meetings with analysts, media persons and institutional investors.

Policy for determination of "**Legitimate purposes**"

The sharing of unpublished price sensitive information shall be deemed to be for "Legitimate Purpose" if it satisfies the following criteria:

(i) The 'Legitimate purpose' shall include sharing of unpublished price sensitive information 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.

(ii) The information shall be shared with any person on 'need to know' basis.

(iii) Insiders shall share the unpublished price sensitive information with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law.

(iv) Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of the Company in appropriate circumstances. The person who has the unpublished price sensitive information should ideally recuse himself from assigned task of the sharing the unpublished price sensitive information with third parties in such doubtful cases to avoid any adverse inferences in this regard.

(v) Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an "Insider" and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Regulations.

The Board of Directors shall ensure that such third party with whom the unpublished price sensitive information is shared, is also bound by non-disclosure or confidentiality agreements and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

10. The Company shall enter the details of the person/s or entity/ies with whom unpublished price sensitive information is shared pursuant to the legitimate purpose in the Structured Digital database which shall include 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 to ensure non-tampering of the database.

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Footnotes:

- This Code is effective from 1st April, 2019 and supersedes the Company's existing Code.

- Words and expression used herein and not defined shall have meaning ascribed to them under the SEBI (PIT) Regulations.

- In the event the terms of this Code differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over this Code