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# **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

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Under Regulation 8 and 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015

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## 1. Introduction

Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 requires the company to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“**Fair Disclosure Code**”).

The board of directors of the company, whose securities are listed on a stock exchange, shall formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in the regulations, without diluting the provisions of these regulations in any manner

## 2. Scope

Smartworks Coworking Spaces Limited endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI) and to prevent its misuse. To achieve these objectives and in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has adopted this Fair Disclosure Code. This Fair Disclosure Code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders. Our Company is committed to timely and accurate disclosures based on applicable legal and regulatory requirements.

## 3. Definitions

**“Unpublished Price Sensitive Information”** (UPSI) means any information, relating to a company or its securities, directly or indirectly, that is not generally available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 including but not restricted to, information relating to the following:

- i) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business 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;
- xiii) 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;
- xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- xv) 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; granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

It is clarified that UPSI is not restricted to information regarding the events mentioned above and may include direct or indirect information relating to the Company or its securities.

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.

**“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media. Information relating to the Company published on the website of stock exchanges or the Company’s website shall ordinarily be considered as Generally Available Information.

**"Compliance Officer"** means is as defined under the Regulations 2 clause (1) sub-regulations(c) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable regulations.

#### **4. Fair Disclosure of Unpublished Price Sensitive Information**

- (i) The Company shall promptly disclose to public, UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- (ii) The Company shall follow uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- (iii) The Chief Financial Officer of the Company or such other senior official nominated as such by the Company from time to time shall be designated as the Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosure of UPSI.
- (iv) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- (v) The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- (vi) The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- (vii) Meetings / calls with analysts or investor relations conferences shall be transcribed or recorded on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- (viii) The UPSI can be shared as an exception by an insider for legitimate purposes, in the ordinary course of business of the Company. Policy for determination of Legitimate Purposes for which UPSI can be shared, has been formulated and mentioned below.
- (ix) The Company shall handle all UPSI on a need-to-know basis.

The Board of Directors of the Company, in sync with applicable laws, rules and regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new code. Any amendment to the Code, upon approval of the Board of the Company shall be intimated to the Stock Exchanges and shall also be updated on the Company's website.

- 5. The UPSI can be shared as an exception by an insider for legitimate purposes, in the ordinary course of business of the Company. Policy for determination of Legitimate Purposes for which UPSI can be shared, has been formulated and attached with this Code and marked as "Annexure – A".

## **Annexure A**

### **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

#### **PREFACE**

This Policy, which is part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, is known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy". This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### **PURPOSE**

The policy is formulated with an objective to identify 'Legitimate Purposes' for which an insider is entitled to communicate, provide, or allow access to any unpublished price sensitive information (UPSI), relating to the Company, its listed securities or securities which are proposed to be listed, to any person including other insiders, in the ordinary course of business.

#### **DEFINITION**

- (i) "Insider" means any person who is a connected person or in possession of or having access to UPSI pursuant to a "legitimate purpose" and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (ii) "Legitimate Purposes" shall mean sharing of 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, any other person with whom UPSI is shared provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

#### **SHARING OF UPSI FOR LEGITIMATE PURPOSE**

- 1) The UPSI shall be shared by any person(s) authorized by the Board of Directors or Chief Investor Relations Officer (CIO) of the Company, in this behalf, only in furtherance of legitimate purpose(s) which shall include the following:
  - (i) 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 provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
  - (ii) Sharing of UPSI where such communication is in furtherance of performance of duty

- (ies).
  - (iii) Sharing of UPSI for discharge of legal obligation(s).
  - (iv) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIO of the Company.
  - (v) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Companies Act, 2013 or any other law for the time being in force, in this behalf, as may be amended from time to time.
- 2) 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;
- i. To make aware such person that the information shared is or would be UPSI.
  - ii. To make aware to such person the duties and responsibilities attached to the receipt of such UPSI, and the liability attached to misuse of UPSI.
  - iii. To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

## **STRUCTURED DIGITAL DATABASE**

- (i) The Board of Directors or head of the organization shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons or entities, who have shared the information and the name with whom UPSI is shared along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the 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.
- (ii) The board of directors or head(s) of the organization of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

## **RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an insider and due notice shall be given to such person which would inter alia include the following:-

- a) The information shared is in the nature of unpublished price sensitive information, confidentiality of such unpublished price sensitive information must be maintained, and such unpublished price sensitive information must not be disclosed by the recipient in any manner except in compliance with the SEBI (Prohibition of Insider Trading), Regulations, 2015.
- b) The Board of Directors shall require the parties 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 and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

- c) 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 and in compliance with Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **CODE OF CONDUCT**

The compliance officer shall follow the minimum code of conduct as provided in Schedule B of the said regulations to regulate, monitor and report trading by designated persons.

## **LEAKAGE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

If it is found/suspected that the unpublished price sensitive information has been leaked by any insider or becoming aware of leak/suspected leak or actual content of unpublished price sensitive information through any source, the Company shall set up an inquiry in the matter.

The Compliance Officer shall promptly bring it to the notice of Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors of the Company about the leakage/suspected leakage/becoming aware of unpublished price sensitive information.

The Company may seek assistance of external consultant/investigator to enquire into the matter. Upon the outcome of the enquiry, the Compliance Officer shall inform the Board of Directors promptly the results of such inquiries and the Company may take appropriate action as directed by the Audit Committee/Board of Directors.

Simultaneously, the Compliance Officer shall inform to stock exchange where the securities are listed promptly of such leaks, relevant inquiries and results of such inquiries.

## **DISCLOSURES**

- a) The disclosures to be made by any person under Chapter III of SEBI (Prohibition of Insider Trading) Regulations, 2015 shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- b) Initial Disclosures- Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.
- c) Continual Disclosures- Every promoter member of the promoter group designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of 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 ten lakh rupees or such other value as may be specified.

- d) The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.
- e) Disclosures by other connected person- Any company whose securities are listed on a stock exchange 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 in such form and at such frequency as may be determined by the company in order to monitor compliance with the regulations.

## **AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy. 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. Every amendment thereto shall be promptly intimated to the stock exchanges or as per prescribed time amended from time to time by regulatory authorities. Any such amended Code shall be accordingly updated on the website of the Company.

## **EFFECTIVE DATE**

Provisions of the regulations under this Code shall be applicable to the Company from the date when the securities of the company are listed on Stock Exchanges.