

# SOMA TEXTILES & INDUSTRIES LIMITED

Regd. Office: 2, Red Cross Place, Kolkata- 700 001

Ph. No.:033-22487406/07

E-mail: [rssharma@somatextiles.com](mailto:rssharma@somatextiles.com)

CIN: L51909WB1940PLC010070

## **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

*(As envisaged under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015*

### **Introduction**

The Securities and Exchange Board of India ("SEBI"), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") vide its Notification dated 15<sup>th</sup> January, 2015, under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 15<sup>th</sup> May, 2015 and the same have been made applicable to all companies whose shares were listed on Indian Stock Exchanges.

Sub-Regulation (1) of Regulation 8 of the said Regulations required a listed company to formulate and publish on its official website a "**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**" (hereinafter referred to as the "Code"), in adherence to the principles set out in Schedule A to the said Regulations. Accordingly, in compliance with the said Regulations, the Board of Directors of Soma Textiles & Industries Limited ("the Company") had adopted the Code at its Meeting held on 30<sup>th</sup> May, 2015, as enumerated below, in order to ensure timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") and to prevent misuse of such information.

### **Objective**

The objective of this Code is to disseminate and disclose Unpublished Price Sensitive Information ("UPSI") which would impact the price of the Company's securities, as and when it becomes due for dissemination or disclosure and to maintain uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

### **Applicability**

This Code shall be applicable and binding on any Insider as defined in sub-regulation (g) of Regulation 2 of Chapter I of the said Regulations.

### **Effectiveness**

This Code shall be effective from 15<sup>th</sup> May, 2015.

### **Definitions**

Capitalized terms used but not defined herein shall have the same meaning as assigned thereto in the SEBI Insider Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder or any other applicable laws or regulations, as the case may be.

"**Act**" means the Securities Exchange Board of India Act, 1992 (15 of 1992).

"**Board**" means Board of Directors of the Company.

"**Chief Financial Officer (CFO)**" means a person appointed as the Chief Financial Officer as defined in Section 2(19) of the Companies Act, 2013.

"**Code of Fair Disclosure**" means this code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information formulated by the Company and as amended from time to time.

"**Company**" or "**STIL**" means Soma Textiles & Industries Limited (hereinafter referred to as 'the Company').

**"Compliance Officer"** means Company Secretary of the company or any other senior officer, designated so from time to time and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI Insider 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 SEBI Insider Regulations under the overall supervision of the Board of the Company.

**"Director"** means a member of the Board of Directors of the Company.

**"Investor"** means analyst, research personnel, securities market professional, individual, institutional investor or potential investor.

**"Officer"** means officer as defined in Section 2(59) of the Companies Act, 2013.

**"SEBI Insider Regulations"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**"SEBI"** means the Securities and Exchange Board of India.

**"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

**"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 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, delisting, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.

## **CODE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The Company will adhere to the following Code for fair disclosure to ensure fair and uniform disclosure of all events and occurrences that would impact the price of the securities of the Company:

### **1. Prompt public disclosure of unpublished price sensitive information**

The Company will comply with all periodic reporting and disclosure requirements contained in the Companies Act, 2013, listing agreement executed with the stock exchanges, SEBI Insider Regulations and other applicable laws. The Company shall make prompt 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. The Company shall disseminate the Unpublished Price Sensitive Information uniformly and universally without any selective disclosure.

### **2. Uniform and Universal Dissemination of unpublished price sensitive information**

The disclosure of unpublished price sensitive information shall be on a continuous, immediate, uniform basis and universally disseminated. The Company may consider others ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

### **3. Chief Investor Relations Officer**

Unless otherwise decided, the Company Secretary and Compliance Officer of the Company shall act as the Chief Investor Relations Officer for the purpose of dealing with dissemination of information and disclosure of UPSI to the Stock Exchange, where the equity shares of the Company are listed and also upload the same on the official website of the Company, from time to time.

Chief Investor Relations Officer shall also ensure that the Company complies with the disclosure requirements as provided under sub-regulation (1), (2) and (3) of Regulation 7 of Chapter III of the said Regulations.

### **4. Prompt Dissemination of information that get disclosed inadvertently or selectively**

The Company shall also promptly disseminate the Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available by informing to the stock exchanges where the Securities of the Company are listed. If any Unpublished Price Sensitive Information is inadvertently disclosed without the knowledge of the Compliance Officer, the Compliance Officer would be informed by the relevant Officer of the Company about the same as soon as possible and the Compliance Officer shall take such action to ensure that such information is generally available.

### **5. Appropriate response to queries on news reports**

The Company shall ensure the appropriate fair and prompt response to all queries received from the Stock Exchanges including queries on news reports and requests for verification of market rumors by regulatory authorities.

### **6. Sharing of information with Analyst and Research Personnel**

The Company will ensure that information shared with analysts and research Personnel, if any, is not unpublished price sensitive information.

### **7. Documentation of Disclosures made**

The Company shall develop best practices to make transcripts or records of proceedings of meetings with Analysts and other investor relations conferences. As a good practice, transcripts thereof may be uploaded on the official website of the Company, which will ensure that the information is generally available.

### **8. UPSI on Need-to-Know basis**

All UPSI shall be handled on a need-to-know basis i.e., the UPSI shall be disclosed only to those within the Company who need the information to discharge their duty and shall not be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

### **9. Disclosures**

This Code shall be uploaded on the official website of the Company i.e. [www.somatextiles.com](http://www.somatextiles.com)

This Code shall be intimated to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), on which the equity shares of the Company are listed.

### **10. Amendment**

This Code may be amended with the approval of the Board of Directors of the Company from time to time to comply with the said Regulations as may be applicable for the time being in force.

Any amendment to the Code shall be promptly intimated to NSE and BSE, the Stock Exchange, on which the equity shares of the Company are listed and shall be uploaded on the official website of the Company.

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