SPARC ELECTREX LIMITED

CIN: L31100MH1989PLC053467

CODE OF PRACTICE AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Pursuant to Regulation 8 of the SEBI ((Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time

1. Introduction

Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (hereinafter referred to as "PIT Regulations"), the Board of Directors of a company, whose securities are listed on a stock exchange, is required to formulate and publish on its official website, a Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI). Accordingly, Sparc Electrex Limited (hereinafter referred to as "Company") has framed the Code of practices and procedures for fair disclosure of UPSI (hereinafter referred to as "Code").

2. Objective

This Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could probably have impact in the price discovery, in the market for securities of the Company. Principles such as, equality of access to information, publication of policies such as those on dividend, inorganic growth pursuits, calls and meetings with analysts, publication of transcripts of such calls and meetings, and such other events.

3. Applicability

This Code shall be applicable to all the persons of the Company who could possess Unpublished Price Sensitive Information relating to the Company.

4. Definitions:

The definitions of some of the key terms used in this Code are given below. Terms not defined herein shall have the meaning assigned to them under the PIT Regulations.

4.1 "Connected person" means,-

(i) 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or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(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;

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

4.2 “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;

4.3 “Insider” means any person who is:
a) a Connected Person; or
b) in possession of or having access to unpublished price sensitive information;

4.4 “Unpublished Price Sensitive Information” or “UPSI” 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:
a) financial results;
b) dividends;
c) change in capital structure;
d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
e) changes in key managerial personnel.

5. Principles of fair disclosure of Unpublished Price Sensitive Information

5.1 Preservation of UPSI: No insider shall communicate, provide, or allow access to any UPSI relating to the Company or its securities listed or proposed to be listed, to any person including other insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

5.2 Chief Investor Relations Officer: The Company Secretary is designated as a Chief Investor Relations Officer to deal with dissemination of information and disclosure or unpublished price sensitive information.

5.3 Need to know: The UPSI shall be handled on a ‘need to know’ basis. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

5.4 Dissemination of UPSI:

(i) UPSI may be communicated, provided, or allowed access to any employee or to third parties, if such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
(ii) 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.
(iii) The Company shall typically not respond to speculative media articles or enquiries regarding any activities of the Company and shall provide appropriate and fair response to queries from regulatory authorities on news reports or verification of market rumour's.
(iv) Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
(v) Develop best practices to make transcripts or records of proceedings of meeting with analysts and other investor relations conferences may be made available on the official website to ensure official confirmation and documentation of disclosures made.

6. Determination of Legitimate Purpose

6.1 Meaning of Legitimate Purpose: The term 'legitimate purpose' include 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, provided that such sharing has not been carried out to evade or circumvent the prohibition of this Code or the PIT Regulations.

6.2 Recipient of UPSI pursuant to legitimate purpose to be deemed Insider: Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an "Insider" for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with this Code.

7. Review of this Code

The Board of Directors of the Company, subject to any regulatory changes requiring modifications to this Code, the Code shall be reviewed and amended accordingly. However, the amended regulatory requirements will supersede this Code till the time it is suitably amended.