

# **ECO HOTELS AND RESORTS LIMITED**

**Formerly known as Sharad Fibres and Yarn Processors Limited**

<b>Name of the policy</b>	Code Of Practice And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information
<b>Applicable Statutes</b>	Regulation 8(1) of The Securities and Exchange Board of India ("SEBI") notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations")
<b>Approved By and Date of Approval</b>	The Board – August 25, 2023
<b>Owner of the policy</b>	Company Secretary and Compliance Officer and Chief Financial Officer
<b>Version</b>	Version 0
<b>Review Frequency</b>	Yearly or as and when SEBI amend the Regulations

## **1. INTRODUCTION**

The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) on January 15, 2015.

In pursuance to the Regulation 8 (1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Eco Hotels and Resorts Limited to formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information

## **2. SCOPE and OBJECTIVES**

In compliance with the above requirements and Regulation, the Company has adopted this code of practices and procedures for fair disclosure of unpublished price sensitive information based on Schedule A of the said Regulations. Eco Hotels and Resorts Limited endeavors to ensure timely and adequate disclosure of price sensitive information.

The Company is committed to fairness and transparency in dealing with all stakeholders and in ensuring compliance with applicable laws and regulations.

To achieve these objectives, maintain decency and to observe set procedure in relation to disclosure of price sensitive information of the Company, Eco Hotels and Resorts Limited has implemented this code to be followed and observed as mentioned herein.

## **3. TITLE AND COMMENCEMENT**

This Code is called "code of practices and procedures for fair disclosure of unpublished price sensitive information" or Code of Corporate Disclosure Practices.

The Board of Directors of the Company have, at their Meeting held on August 25, 2023 decided to adopt this new Policy to incorporate the requirements of the Act and the PIT regulations. This Policy will supersede the provisions of the earlier Policy adopted by the Board of Directors.

## **4. DEFINITIONS AND INTERPRETATION**

Words, expressions used but not defined in this code shall have the same meaning assigned to them in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or the Securities and Exchange Board of India Act, 1992, The Securities Contract (Regulations) Act, 1956, The Depositories Act, 1996 or the Companies Act 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

## **5. COMPLIANCE OFFICER**

The Board of Directors of the Company designate a Chief Financial Officer of the Company to deal with dissemination of information and Compliance Officer to ensure disclosure of unpublished price sensitive information.

The Company Secretary shall act as Compliance Officer, unless the Board decides otherwise.

**6. FOR DETERMINING LEGITIMATE PURPOSES, THE BELOW MENTIONED POLICY SHALL BE ADHERED TO:**

- a) UPSI can be shared only on a need-to-know basis and for legitimate purposes and not to evade or circumvent the prohibitions of the Regulations.
- b) UPSI can be shared in the ordinary course of business only if the same is necessary to be shared in order to complete any task / activity / deal including any other assignment for furtherance of the business interests of the company.
- c) Subject to conditions prescribed in (a) and (b) above, UPSI can be shared with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. in respect of proposed assignment or in order to avail professional services from them or other business purposes, as the case may be. UPSI can also be shared in case same is mandatory for performance of duties or discharge of legal obligations.

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" for purposes of the Regulations.

The Board of Directors of the Company has framed a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" attached as **Annexure - A**

**7. PROHIBITION IN DEALING IN SECURITIES OTHER THAN DURING A VALID TRADING WINDOW**

All Directors and Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window within the threshold limit prescribed and shall not deal in any transactions involving the purchase or sale of the Company's securities during the period when trading window is closed.

A notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

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

**8. PROCEDURES FOR DEALING IN SECURITIES OF THE COMPANY**

All Directors, Officers and Designated Persons who intend to deal in securities of the Company in their own name or in the name of their relatives, above minimum threshold limit, shall obtain pre-clearance of the transactions by Compliance Officer by making an application in this regard and by

giving declarations to the effect that he/she is not in possession of any unpublished price sensitive information. The pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

The trades which have been pre-cleared by the Compliance Officer shall be executed within seven trading days, failing which fresh pre-clearance would be needed for the trades to be executed.

## **9. REPORTING AND DISCLOSURES**

### **A. DISCLOSURE OF PRICE SENSITIVE INFORMATION**

The Company shall disclose promptly the 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.

Dissemination of unpublished price sensitive information shall be uniform and universal to avoid selective disclosure, by communicating the same to the stock exchange(s) and disclosing the same on its website;

- a) Disclose press releases issued by it from time to time which are considered to be important for the general public besides putting the same on Company's website.
- b) Put on Company's website quarterly and annual financial results and all investor presentations pertaining to such financial results for reference of the general public

Employees of the Company shall not respond under any circumstances to enquiries from the Stock Exchanges, the media or others unless authorised to do so by the Chief Financial Officer (CFO) or Company Secretary & Compliance Officer of the Company.

Provide appropriate and fair response to queries on news reports and requests for verification of market rumours by Regulatory Authorities such as Stock Exchanges, etc.

(Note: The Company shall not comment on every market rumour. If Stock Exchange requests, the Company shall submit its response to the market rumour).

Ensure that information shared with analysts and research personnel is not UPSI.

The Company communicates with its Institutional shareholders through meetings with analysts and discussions between fund managers and management. The Company also participates at investor conferences from time to time. All interactions with institutional shareholders, fund managers and analysts are based on generally available information that is accessible to the public on a non-discriminative basis. Details relating to quarterly performance and financial results are disseminated to the shareholders through the press releases and uploaded on the Company's website.

If there would be any unpublished price sensitive information disclosed selectively to meet the statutory or business requirement or inadvertently or otherwise, such information shall be disseminated promptly to make such information generally available.

The Company shall disclose and disseminate the unpublished price sensitive information to the Stock Exchanges on continuous and immediate basis, as may be appropriate and required.

Wherever necessary to make disclosure to Stock Exchanges about events materially bearing on performance / operation of the Company as well as price sensitive information, as per the PIT Regulations, the CS & CO, CFO and Chairman or Managing Director will take a view on materiality of event that qualify for disclosure, appropriate time and details for disclosures.

#### **10. CLARIFICATIONS, AMENDMENT ETC.**

The Board, may, subject to applicable laws amend, alter, modify, substitute any of the provision(s) with a new provision(s) or replace this Code entirely with a new code from time to time based on the requirements as prescribed under the PIT Regulations.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

#### **DISCLOSURE**

This Policy shall be uploaded on the Company's website for investors and public information and a web link thereto shall be provided in the Board's Report as part of the Annual Report of the Company.

**POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES****1. INTRODUCTION**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 as may be amended time to time, provides that no insider shall communicate, provide, or allow access to any unpublished price sensitive information, to any other person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Regulation 3(2A) of the above mentioned Regulations requires the Board of Directors of every listed companies to frame a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct”.

The Board of Directors of the Company has framed a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct of UPSI”, to list the circumstances or purposes for which an insider can communicate, provide, or allow access to any unpublished price sensitive information, relating to the company or its securities, where such communication, access of unpublished price sensitive information would not be considered illegal by the insider.

**2. OBJECTIVES**

Eco Hotels and Resorts Limited has implemented this policy to fulfill following objectives as outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 :

- a. to cast an obligation on all insiders who are essentially persons in possession of unpublished price sensitive information to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.
- b. to develop practices in the Company based on need-to-know principles for treatment of information in their possession.
- c. to impose a prohibition on unlawfully procuring possession of unpublished price sensitive information.

**3. CONSTITUENTS OF LEGITIMATE PURPOSE**

The communication, provision, procurement or access to any unpublished price sensitive information, relating to the company or its securities in furtherance of legitimate purposes, will be considered as legitimate purpose, if it qualifies certain grounds. Accordingly, legitimate purposes shall include:

- i. 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 PIT regulations.
- ii. sharing of unpublished price sensitive information in connection with a transaction, where the board of directors of the company is of informed opinion that sharing of such information is in the best interests of the company and the information constituting the unpublished price sensitive information is 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 adequately and fairly cover all relevant and material facts

- iii. sharing of unpublished price sensitive information in connection with a transaction that would 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 sharing of such information is in the best interests of the company

#### **4. CONFIDENTIALITY OF UPSI**

Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an insider. Such persons are under duty to maintain confidentiality of such unpublished price sensitive information.

The parties are required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties, as may be required by the Board of Directors. 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.

#### **5. SAFEGUARDS FOR TRADING WHEN IN POSSESSION OF UPSI**

The insider, who has traded in securities of the Company when in possession of unpublished price sensitive information may prove his innocence by demonstrating the circumstances including the following: –

- i. the transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 of PIT regulations and both parties had made a conscious and informed trade decision.
- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 of PIT regulations and both parties had made a conscious and informed trade decision;
- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- iv. 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.
- v. the trades were pursuant to a trading plan set up
- vi. in the case of non-individual insiders: –
  - a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
  - b) appropriate and adequate arrangements were in place to ensure that PIT regulations are not violated and no unpublished price sensitive information 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;

## **7. CLARIFICATIONS, AMENDMENT ETC**

The Board, may, subject to applicable laws amend, alter, modify, substitute any of the provision(s) with a new provision(s) or replace this Code entirely with a new code from time to time based on the requirements as prescribed under the PIT Regulations.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.