




A  Registered Category-1 Merchant Banking Company

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SEBI Regn No. MB/INM000008571

CODE OF CONDUCT

PREAMBLE

(A) Introduction

- i. The Code of Conduct and Personal Transaction policy (“Code”) has been drafted to govern conduct and the personal securities transactions of the Employees of SOBHAGYA CAPITAL OPTIONS PRIVATE LIMITED (“SCOPL”) including on contract (hereinafter referred to as “the Company”)
- ii. The Code has been framed in compliance with Schedule III of the Merchant Banking Regulations which stipulates that the Board of Directors of every Merchant Banking Company shall lay down a code of conduct for all Board members and management personnel of the Company.
- iii. The term “Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise of all members of management one level below the executive directors, including all functional heads.
- iv. The Code of the conduct shall be posted on the website of the company
- v. All the designated employees of the Company including their immediate relatives would be covered by this Code.
- vi. This Code deals with -
 - a) Securities transactions of the Designated Employees, their immediate relatives and lays down detailed guidelines to be followed.
 - b) Disclosure by the Employees, while tendering public investment advice.
 - c) Policies and Procedure to prevent circulation of unauthenticated news.
 - d) Policies and Procedures to prevent any instance of insider trading and guard against abuse of price sensitive information.
 - e) Procedure for seeking approval before accepting outside directorship to avoid conflicting situations.
 - f) General Code of Ethics expected as employee of a Regulated Intermediary
 - g) Code as applicable post the separation from the employment.

(B) Purpose of the Code

- I. The principal objective which the Code intends to achieve is to prevent mis-use of Unpublished Price Sensitive Information (“UPSI”) in any manner.
- II. The aim of this document is to ensure that as far as possible, the Designated Employees, their immediate relatives do not take any undue advantage of their position or otherwise.
- III. The Code should be abided in spirit and also in letter.
- IV. The Code is modelled on the SEBI Regulations on Insider Trading and in the event of any conflict or amendments to the Regulations, the amendment shall prevail.

CODE OF ETHICS

(A) General Prohibitions:

No Designated Employees or their Immediate Relatives shall: -

- i. Deal in Securities in any manner, including pledging, when in possession of Unpublished Price Sensitive Information (UPSI), irrespective of the source.
- ii. Communicate UPSI that they have received, in any manner whatsoever, to anyone except on a need-to-know basis and in accordance with the policy thereof.

(B) General Responsibility of the Designated Employees:

a) All Designated Employees shall maintain the confidentiality of all Price Sensitive Information/ Proprietary information that is in their possession and shall not pass on such information directly or indirectly to anyone by way of making a recommendation for the purchase or sale of securities. Any information disclosed to the Company by a client is considered to be confidential unless it is reasonably certain that the information has been publicly disseminated or the client informs the Company that the information is not confidential.

b) Designated Employees shall not use UPSI to buy or sell securities, whether for their own account, their Immediate Relative's account or the organization / Company's account.

c) No Designated Employee shall communicate, counsel, or procure, directly or indirectly, any UPSI to any person who while in possession of such UPSI shall not deal in securities.

d) It will be the responsibility of the Head of each department to ensure strict standards for identification of UPSI; he may make a reference to the business head and Compliance Officer for resolution of any ambiguity and shall act in accordance with the response received.

UPSI should be handled on a "need to know" basis. Provided however that UPSI can be shared internally if:

1. Such information is necessary to discharge their duty and
2. The possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

e) The Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. and there shall be limited access to confidential information. Departmental heads shall ensure availability of locked storage space for storage of confidential documents and media.

f) Confidential documents and data may be held on servers only if the storage area can be effectively partitioned and access restricted to duly authorized users.

g) Electronic media containing confidential information shall be in an encrypted form wherever possible and shall be subject to the same standards of custodial care as printed material.

h) Documents containing Price Sensitive Information shall not be left unattended in a manner permitting access, reading, or copying by unauthorized persons working outside secure areas.

i) No Price Sensitive Information shall be communicated by the Designated Employees in the Insider Area to Designated Employees in the other departments, except in exceptional circumstances on the basis of "need to know" criteria, under intimation of the Head of the Department

j) If the Designated Employee believes that something they have done violates the law or the Code, it is their responsibility to report such violation to the Compliance Officer.

k) If any of the Designated Employee becomes aware of illegal or improper conduct by another Designated Employee, it is the obligation of such Designated Employee to report it to the Compliance Officer.

l) It would be the responsibility of the Human Resources Department/ new employee to complete all the formalities relating to compliance with this code.

(C) General Responsibility of the Designated Employees:

Every employee in each operating area must accept that their decision must be taken independently of any other interest which the Company might have. Compliance Department may be consulted in the event of any perceived conflict for appropriate resolution.

(D) STRUCTURAL DIGITAL DATABASE

The Compliance officer shall ensure and educate the Designated Employees to maintain a Structural Digital Database (SDD). Every Designated Employee who is in possession of Unpublished Price Sensitive information shall ensure the following:

- Discloses whenever he/she is in possession of UPSI containing nature of unpublished price sensitive information he/she holds and the names of such persons who have shared the information.
- Disclose the names of the persons including their PAN number or any other identifier authorised by law where PAN is not available with whom such information is shared for the purpose of maintaining SDD as required by the Company.
- Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- The SDD shall be 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 SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceeding.

(E) MATERIAL FINANCIAL RELATIONSHIPS

Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of persons with whom they have Material Financial Relationships to the Company on an annual basis and as and when the information changes.

(F) COMPLIANCE WITH THE CODE

Once every year or upon reviewing on of this code, every Director/Management person must acknowledge an understanding of the code and affirmations that he/she complied with the code. New Directors/Management persons will acknowledge and affirm at the time of joining.

(G) AMENDMENT/ MODIFICATION/ WAIVER

This code may be amended, modified, varied by the Board as may be deemed necessary in the interests or the Company and subject to the provisions of applicable laws, regulations or guidelines. As a general policy, the Board will not grant waiver of this code.

(H) REPORTING

While every Directors/Management person has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director/ Management person or by any other Director/ Management person shall be immediately reported to the Board through the compliance officer. In case of any doubt as to the best course of action, the concerned Director/Management person should promptly contact the Compliance Officer.