

S.P.APPARELS LIMITED

LEGITIMATE PURPOSE POLICY

1. DEFINITIONS:

In this Code unless the context otherwise requires:

- (a) **'Act'** means the Securities and Exchange Board of India Act, 1992 (15of1992).
- (b) **"Board"** means the Board of Directors of S.P.Apparels Limited.
- (c) **"Companies Act"** means the Companies Act, 2013.
- (d) **"Compliance Officer"** means the officer appointed by the Board for the purpose of compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of unpublished price sensitive information, monitoring of trades under the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, under the overall supervision of the Board.
- (e) **"generally available information"** means information that is accessible to the public on a non-discriminatory basis;
- (f) **"Insider"** means any person who is
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (g) **"legitimate purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers,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 the PIT Regulations.
- (h) **"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;
- (i) **"unpublished price sensitive information"** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which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 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, delisting, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and

The words and/or phrases which are not defined in this code but are defined under the SEBI Act, 1992 or SEBI (Prohibition of Insider Trading) Regulations, 2015 or Companies Act, 2013 as amended from time to time, shall have the same meaning as defined under the said Act and/or Regulations.

2. PRESERVATION OF CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

NEED TO KNOW BASIS

Unpublished price sensitive information is to be handled on a "need to know" basis, Unpublished price sensitive 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 rise to a conflict of interest or appearance of misuse of the information.

SHARING OF INFORMATION FOR LEGITIMATE PURPOSE

Unpublished price sensitive information can however be shared by insiders with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The following shall be considered as legitimate purpose generally:

- where it is **necessary for the performance of the contract**;
- where it is necessary for **compliance with a legal obligation** to which we are subject; and/or
- where it is necessary for the purposes of the **legitimate interests** pursued by us or a third party.

Maintenance of a Structured Data Base

A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared under the Insider Trading Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent

Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

Consideration of the person as an Insider

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of this Policy and the Insider Trading Regulations. Further due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information that is being shared with them. Further such persons shall also be informed that they shall not communicate the unpublished price sensitive information with any other person or trade in the securities of the company while being in possession of the unpublished price sensitive information.

Execution of Non-Disclosure Agreements

The parties with whom information is being shared for legitimate purpose shall execute agreements to maintain confidentiality and there shall be a non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except in the furtherance of furtherance of legitimate purposes, performance of duties or discharge of legal obligations and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information. The format is given as an Annexure.