

SYMPHONY CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[SEBI (Prohibition of Insider Trading) Regulations, 2015]

“Symphony Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred as the Code of Fair Disclosure) is framed in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Fair Disclosure has been adopted by the Board of Directors of the Company at its meeting held on February 5, 2019 and shall be effective from April 1, 2019

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code for Disclosure) is based on the facts and circumstances of the trading history and precedence of the company as has been envisaged in Regulation 8 (1) of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015. However, while appreciating the history and precedence of the trading and shareholding pattern of the company as well as the conduct of employees and stakeholders, the company will consistently follow its present policy of flow, preservation and dissemination of information.

Notes mentioned herein are the integral part of this Code of Disclosure.

Fact:

1. The regulation is based on envisaging market outcome in price of the shares of the company on prospective act in future.
2. The element of uncertainty of likely market outcome in price of the shares of the company is beyond the comprehension of the Company and the future market outcome, besides, may have an influence of inherent vagaries and volatility of capital market; including demand and supply in shares.
3. The shareholding pattern (PAN based) of the company as on 31st December, 2018 is as follows.

Sr. No.	Category Category of shareholder	Nos. of share-holders	Total nos. shares held	Shareholdin g as a % of total no. of shares	Number of Shares pledged or otherwise encumbered		Number of equity shares held In dematerialized form
					Number of Shares	%	
A	Promoter and Promoter Group						
1	Indian	0	0	0.00			0
a	Individuals/Hindu undivided Family	5	39984540	57.16	-	-	39984540
b	Central Government/ State Government(s)	0	0	0.00	-	-	0
c	Financial Institutions/ Banks	0	0	0.00	-	-	0
d	Any Other (specify)	1	12483200	17.84	-	-	12483200
	Bodies Corporate	1	12483200	17.84	-	-	12483200
	Sub-Total (A)(1)	6	52467740	75.00	-	-	52467740
2	Foreign	0	0	0.00	-	-	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0.00	-	-	0
b	Government	0	0	0.00	-	-	0
c	Institutions	0	0	0.00	-	-	0
d	Foreign Portfolio Investor	0	0	0.00	-	-	0
e	Any Other (specify)	0	0	0.00	-	-	0
	Sub-Total (A)(2)	0	0	0.00	-	-	0

	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	6	52467740	75.00	-	-	52467740
B1	Institutions	0	0	0.00	-	-	0
a	Mutual Funds/	9	6252007	8.94	-	-	6245507
b	Venture Capital Funds	0	0	0.00	-	-	0
c	Alternate Investment Funds	0	0	0.00	-	-	0
d	Foreign Venture Capital Investors	0	0	0.00	-	-	0
e	Foreign Portfolio Investors	77	4340325	6.20	-	-	4340325
f	Financial Institutions/ Banks	2	9258	0.01	-	-	9258
g	Insurance Companies	0	0	0.00	-	-	0
h	Provident Funds/ Pension Funds	0	0	0.00	-	-	0
i	Any Other (specify)	0	0	0.00	-	-	0
	Sub-Total (B)(1)	88	10601590	15.15	-	-	10595090
B2	Central Government/ State Government(s)/ President of India	0	0	0.00	-	-	0
	Sub-Total (B)(2)	0	0	0.00	-	-	0
B3	Non-institutions	0	0	0.00	-	-	0
a	Individuals -	20913	3744890	5.36	-	-	3055934
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	20912	3622178	5.18	-	-	2933222
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	1	122712	0.18	-	-	122712
b	NBFCs registered with RBI	7	2860	0.00	-	-	2860
c	Employee Trusts	0	0	0.00	-	-	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0.00	-	-	0
e	Any Other (specify)	1900	3139920	4.49	-	-	3003920
i	Trusts	6	15678	0.02	-	-	15678
II	Non-Resident Indian (NRI)	962	264184	0.38	-	-	149184
III	Clearing member	103	12662	0.02	-	-	12662
IV	Bodies Corporate	380	1540152	2.20	-	-	1519152
V	IEPF	1	389000	0.56	-	-	389000
VI	HUF	443	84003	0.12	-	-	84003
VII	Director or Director's Relatives	4	721241	1.03	-	-	721241
VIII	Unclaimed or Suspend or Escrow Account	1	113000	0.16	-	-	113000
	Sub-Total (B) (3)	22820	6887670	9.85	-	-	6062714
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	22908	17489260	25.00	-	-	16657804
	Total Share Holding A + B	22914	69957000	100.00	-	-	69957000

Note:

(A) Executive Director:

Total 11,74,052 equity shares (1.68%) held by himself, spouse, two bodies corporate in which Mr. Nrupesh Shah, Executive Director, is substantially interested as a partner, His HUF and family trust in which he and his family members are beneficiaries. Mr. Nrupesh Shah is not a promoter director and hence holding is classified under 'Any Others' - Other, the break up is as under:

- i. 4,52,811 equity shares held by two bodies corporate in which Mr. Nrupesh Shah is substantially interested have been classified under "Bodies Corporate" category.
- ii. 4,25,480 equity shares in aggregate held by himself, spouse and his HUF is classified under 'Any Others – (Director and Director's Relatives)".
- iii. 2,95,761 equity shares held by Family Trust in which he and his family members are beneficiaries is classified under "Any others (Director and Director's Relatives)".

4. The shareholding distribution pattern of the company as on 31st December, 2018 is as under.

Category (Amount)	Total Shareholders	Total % of Shareholders	Total Shares	Total Amount %
1-5000	23,161	98.911	30,26,194	4.3258
5001- 10000	109	0.4655	4,11,515	0.5882
10001- 20000	68	0.2904	5,07,326	0.7252
20001- 30000	12	0.0512	1,47,933	0.2115
30001- 40000	12	0.0512	2,17,460	0.3108
40001- 50000	5	0.0214	1,12,427	0.1607
50001- 100000	12	0.0512	4,50,007	0.6433
100001& Above	37	0.158	6,50,84,138	93.0345
Total	23,416	99.9999	6,99,57,000	100.00

5. The company is of reasonable view that the shareholding of the promoters having reached the maximum permissible limit of 75% of the total share Capital of the company, the shareholding in public category is not substantial and the shareholding distribution structure amongst the public shareholder is manifesting so insignificant quantity with public shareholders and more particularly considering the ratio of institutional shareholding and non-institutional shareholding the indulgence on their part in the scrip may not have likely material influence on the price discovery of the shares;
6. The spirit of the regulation has been to strike equality of access of information between the act of privileged and unprivileged shareholders in the price discovery of the shares of the company. However, the fact of the company, As can be gathered from the available record as on date, has been that there has not been material trading in terms of shareholding pattern by employees or directors in last five years, in the shares of the company, whose conduct is being intended to be regulated to protect the interest of unprivileged shareholder; Keeping this perspective in mind, the policy is framed as has been envisaged in Regulation 8(1) of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015.

Events likely to materially affect the price:

- (i) financial results; as specified in Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) dividends; as and when recommended by the Board of Director;
- (iii) change in capital structure; as and when recommended by the Board of Director;
- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; as specified in Listing Regulations;
- (v) changes in Key Managerial Personnel; and; as and when intimation received by the company.

Notes: The following information will not be considered as UPSI on the basis of facts and circumstances.

1. The trades being contrary to the nature of UPSI;
2. Communication of UPSI by any insider, where such communication is legitimately necessary for performance of duties or discharge of legal obligations;
3. The trades were pursuant to a trading plan compliant with the requirements of the regulations;
4. The insider being an innocent recipient of UPSI or placed reliance on information not believed to be UPSI;
5. The trades are made by a duly authorised person other than the insider without any reference to or prior knowledge of the insider although the trades may have been made on behalf of the insider;
6. A person trades on the basis of contents of an information, which later turns out to have contained UPSI illegally procured by someone who is not a connected person, the fact that a bona fide recipient of that information and traded when in possession of that information should not be treated as insider;
7. In situations, where both the buyer and the seller of securities are in possession of identical information, the trade by them will not be considered as insider;
8. Where the person in possession of the UPSI is different from the person who takes the trading decisions and the two are segregated by effective arrangements, the purpose of the prohibition would not be attracted.
9. In light of the above, in the present Code of Disclosure, the Company intends to ensure the following:

Code of Fair Disclosure

1. The Company will endeavor to promptly disclose unpublished price sensitive information to the public having nature and character of influencing and/or impacting the affairs and operations of the company in significant and material manner, which may impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

Note

- 1.1 The nature and character of information bearing significance and materiality to the operation and affairs of the company would be such UPSI which influences the consolidated net worth of the company or consolidated profit after tax of the company exceeding 50%; for the relevant financial year as a whole.

- 1.2 The nature and character of such information would be deemed to be UPSI, if it results into causing variation in the price of the scrip to the extent of circuit limit as may be prescribed by the Stock Exchange or 20%, whichever is higher on either side from the last traded price on the Stock Exchange, while in possession.
- 1.3 The price discovery for the security would not be exposed, if the prospect of an insider, who is not benefitting by making profit or avoidance of loss from trading when in possession of UPSI. In the absence of the quantifiable benefitting, mere discovery in price in a market through an inter-play of demand and supply, it would not be possible to envisage an insider benefitting from his possession of UPSI and the lack of such information in possession of the others in the market.
2. The Company will designate a senior officer as chief investor relations officer (“Chief Investor Relations Officer”) who shall deal with the dissemination of information and disclosure of Unpublished Price Sensitive Information.
 3. The Company will endeavor to promptly, uniformly and universally disseminate unpublished price sensitive information having nature and character of influencing and/or impacting the affairs and operations of the company insignificant and material manner, which may impact price discovery to the extent of circuit filter or the 20% of last traded price, whichever is higher to avoid inadvertent selective disclosure or otherwise to make such information generally available.
 4. The Company will endeavor to give appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
 5. The Company will ensure that the information shared with analysts and research personnel is not unpublished price sensitive information.
 6. The Company has developed practices to make transcripts or records of proceedings of meeting with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made. The company will review the same from time to time as maybe required on the basis of the facts and circumstances.
 7. The Company will handle all unpublished price sensitive information on a need-to-know basis.

Note: While appreciating the Shareholding as on date of 31st December, 2018, it appears that in the history of the company since the date of listing on the Stock Exchange, no employee or director of the company, other stake holders in their corporate capacity has ever held the significant shares of the company which can affect the material price discovery process while in possession of UPSI. The company believes that in absence of significant trading by employees, directors or other stakeholders influencing materially price discovery that has taken place in the share price of the company till date, i.e. the loyal conduct and an environment of free, fair, and transparent

flow of information based on absolute mutual trust amongst all, deserves appreciation besides continuing the same on as is where basis, instead of framing new policies for flow, preservation and dissemination of information. In light of this history and precedence, the company is of the genuine view that the actions relating to enforcement against insider trading would necessarily depend on the facts and circumstances of each case of indulgence in price discovery based on UPSI as defined herein above.

8. Communication or procurement of unpublished price sensitive information for legitimate purpose:

For legitimate purpose standard notice would be issued in requisition of Sub Regulation 2A & 2B of Regulation 3 of SEBI (Prohibition of Insider Trading Regulations), 2015.

Illustratively - “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 these regulations.”

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.”