

**CODE OF PRACTICES AND
PROCEDURES FOR FAIR DISCLOSURES
OF
UNPUBLISHED PRICE SENSITIVE
INFORMATION
OF**



BABA ARTS LIMITED

[AMENDED & EFFECTIVE FROM 21ST MAY 2024]

1. This Code is framed by Baba Arts Limited to set out a set of practices and procedures for fair disclosure of unpublished price sensitive information as required under Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”).

2. This Code is in continuation of the Code of Internal Code of Conduct for Designated Persons and their immediate relatives under the Regulations (“Insider Code”). Capitalized terms not defined here shall have the meanings ascribed to them under the Insider Code. Provisions of the Insider Code shall over-ride the provisions of this Code in the event of any conflict between the two.

3. The Compliance Officer shall discharge relevant functions under this Code.

4. The Compliance Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of UPSI to Stock Exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedures.

5. All disclosure/dissemination whatsoever of any information (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Compliance Officer for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Compliance Officer. In case of doubt, the Compliance Officer, shall consult and seek approval of the [Managing Director/ Chief Executive Officer] before dissemination of such information.

6. Should any dissemination of information on behalf of the Company takes place without prior approval referred above, out of accidental omission, by any Employee or Director of the Company, such Employee/Director shall forthwith inform the Compliance Officer about such disclosure irrespective of the fact whether such information is UPSI or not for necessary action.

7. The Employees/Directors of the Company shall promptly direct any queries or requests for verification of market rumours received from Stock Exchanges or from the press or media or from any other source to the Compliance Officer. The Compliance Officer, shall on receipt of requests as aforesaid, consult the [Managing Director/ Chief Executive Officer] and respond to the same without any delay.

8. The Compliance Officer shall be responsible for deciding in consultation with the [Managing Director/Chief Executive Officer] of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures. All the requests/queries received shall be documented and as far as practicable, the Compliance Officer, shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Compliance Officer, unless the [Managing Director/ Chief Executive Officer] approves the same.

9. The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ownership of major shareholders and disclosure of changes in ownership as required under the Stock Exchange listing agreements and/or any rules/regulations made under the Act are made in a timely and adequate manner. Any such shareholding/ownership reporting by the Compliance Officer shall also be reported to the [Managing Director/ Chief Executive Officer] from time-to-time.

10. No person, except those authorized by the Compliance Officer, shall disclose any information relating to the Company's Securities to analysts and institutional investors. The Compliance Officer, shall be invited to meetings/ conferences organized by the Company with the analysts/institutional investors. All Directors, Officers and Employees of the Company should follow the guidelines given hereunder while dealing with analysts and institutional investors: -

a) The Directors, Officers and Employees shall provide only public information to the analysts/ research persons/ large investors like institutions.

b) In case non-public information is proposed to be provided, the person proposing to so provide information shall consult the Compliance Officer, in advance. The Compliance Officer, in such cases, shall ensure that that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.

c) If the answer to any question requires dissemination of UPSI, the Compliance Officer, shall report the same to the [Managing Director/ Chief Executive Officer] and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press.

d) The Compliance Officer, shall, after dissemination of such UPSI, respond to such unanticipated questions.

11. All the analyst, broker or Institutional Investor meetings shall be attended by the Compliance Officer, and another senior Employee(s) of the Company. The Compliance Officer, in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting.

12. Whenever the Company proposes to organize meetings with investment analysts/institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets. The Compliance Officer, shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site, in consultation with the [Managing Director/ Chief Executive Officer].

13. The Company shall disseminate all UPSI on a continuous and in a timely manner to Stock Exchanges and thereafter to the press. As a good corporate practice, the UPSI disclosed to the Stock Exchanges and to the press may also be supplemented by prompt updates on the Company's web-site.

14. The Company may also consider other modes of public disclosure of UPSI so as to improve investor access to the same.

Policy for determination of 'legitimate purpose'

a. In terms of the SEBI Regulations, the term "legitimate purpose" is clarified to include sharing of UPSI in the ordinary course of business by an insider with Company's partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of the SEBI Regulations;

b. The SEBI Regulations require the Board to formulate a policy for determination of 'legitimate purpose', in line with the guidance provided in the SEBI Regulations. The assessment of whether sharing of UPSI is for a 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate";

- whether sharing of such information is in the ordinary course of business of the Company;
- whether information is sought to be shared to evade or circumvent the prohibitions of the Regulations;
- whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- whether the information is required to be shared for enabling the Company to discharge its legal obligations;
- whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

c. It is clarified that in the event there exist multiple purposes for sharing UPSI, each purpose will be evaluated on its own merits, in line with the aforementioned principles;

d. The recipient of UPSI shall be informed of the following, by way of notice and/ or contractual agreement, such as, confidentiality agreement or non – disclosure agreement, that:

- the information being shared is UPSI and that the Company is the exclusive owner of such UPSI;
- upon receipt of UPSI, the recipient would be deemed to be an Insider and subject to the provisions of the SEBI Regulations, • the recipient must maintain confidentiality of the UPSI at all times,
- the recipient may use the UPSI only for the approved purposes for which it was disclosed;
- the recipient should provide a written undertaking that he/she/it shall not undertake Trades in the securities of the Company while in possession of the UPSI;
- the recipient must extend all cooperation to the Company, as may be required in this regard, and;
- the recipient must also adopt a code of conduct in terms of Regulation 9 of the SEBI Regulations, to inter alia ensure that it safeguards the UPSI in line with the SEBI Regulations;

e. The information should be shared by the Company, from time to time, in the ordinary course of its business activities with its advisers and service providers, viz., auditors, merchant bankers and legal advisers/consultants of the Company, in line with the aforementioned principles;

f. Additionally, the Board, or the Compliance Officer or any person authorised by the Board in this regard, shall be responsible for maintaining structured digital database, in compliance with the SEBI Regulations, comprising necessary details of all recipients of UPSI, who receive UPSI in compliance with the SEBI Regulations, including, name, address, email, Permanent Account Number (PAN), or any other identifier authorised by law (where PAN is not available) and such other documents as may be necessary, in the manner that may be prescribed by the Board or SEBI. In this regard, adequate systems and controls shall be put in place to ensure compliance with the SEBI Regulations towards sharing of UPSI for legitimate purposes