



## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Pursuant to Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

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### **INTRODUCTION**

Regulation (8) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations) requires a listed company to formulate and publish on its official website a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in adherence to the principles set out in Schedule A of the abovesaid Insider Trading Regulations.

Accordingly, the Board of Directors of the Company (Board) has formulated this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code).

### **PRINCIPLES FOR PUBLIC DISCLOSURE**

1. The Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information (UPSI) that would impact price discovery, no sooner than credible and concrete information comes into being, in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
4. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
6. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
7. The Company shall ensure the handling of all UPSI on a need-to-know basis.

The Chairman/Chief Financial Officer/Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO's) who shall be responsible for, and who shall deal with dissemination of information and disclosure of UPSI.

In addition, the CIRO's specific role and responsibilities inter-alia include the following:

1. Ensuring compliance with the Code and taking corrective actions for violations of the Code;
2. Reviewing the disclosure process and controls and making changes, as and when required;
3. Providing appropriate training to employees on handling USPI;
4. Assessment of (i) materiality of information; (ii) updates, if any, required to be provided in respect of past disclosures; and (iii) the timing and adequacy of the proposed.

The CIRO will be required to ensure that: (a) appropriate policies and procedures are implemented to make transcripts or records of proceedings of meetings/ calls with analysts and other investor relations conferences; and (b) such transcripts/ records are uploaded on the official website of the Company, and are also intimated to the Stock Exchanges, to ensure official confirmation and documentation of disclosures made, in due compliance with the extant regulatory requirements.

Personnel working in the relevant departments of the Company which are handling UPSI, should not share any UPSI with personnel of other departments of the Company or with outsiders, except on a need-to-know basis. For sharing UPSI with personnel of other departments of the Company or with outsiders, appropriate wall-crossing procedure as stipulated by the Board is to be followed.

**Policy for determination of “Legitimate Purposes” as a part of “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” and sharing of UPSI pursuant to Legitimate Purpose:**

1. In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**Insider Trading Regulations**), **legitimate Purposes** shall include sharing of UPSI 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 such sharing has not been carried out to evade or circumvent the prohibitions of Insider Trading Regulations.

**Explanation:** For the purposes of this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, the term 'Intermediary' refers to the persons specified under Section 12 of the Securities and Exchange Board of India Act, 1992 and the term 'Fiduciary' refers to the professional firms such as, auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company.

2. However, since the scope of the term 'legitimate purpose' under the Insider Trading Regulations is inclusive in nature, its determination would be a subjective assessment, and would have to be evaluated on a case by case basis. As such, an exhaustive list of the events and circumstances that would always be considered 'legitimate' for sharing UPSI cannot be specified.
3. Having regard to the fiduciary obligations cast on the board of directors of the Company ("Board"), the Board has made this policy to set out the broad principles as to the

approach to be followed while considering if UPSI ought to be shared in a given set of circumstances, so as to ensure that UPSI is dealt with responsibly, in line with letter and the spirit of the Insider Trading Regulations.

4. These broad principles shall include:

a. Purpose for which UPSI is proposed to be shared:

(i) To determine whether the information sharing is for legitimate purposes or not, the person seeking the information or sharing the information shall satisfy the following conditions, to the extent applicable:

- Sharing of information is in furtherance of performance of duty or is for discharge of legal/ statutory obligation/ compliance with regulatory/judicial order;
- Sharing of information is in furtherance of a genuine business purpose/ object/ corporate purpose;
- Sharing of UPSI for any other purpose as may be permitted under the Insider Trading Regulations, as amended from time to time;
- Sharing of Information is in the best interests of the Company;
- Sharing of Information for any other genuine or reasonable purpose as may be determined in line with the Insider Trading Regulations.

(ii) Provided that such sharing should not be carried out to evade or circumvent the prohibition provided under the Insider Trading Regulations.

(iii) Further, while deciding if sharing of UPSI is in furtherance of legitimate purpose, due regard shall be given to the matters affecting the Company at the relevant time, and the information that is generally available about the Company at the relevant time. In case UPSI is proposed to be shared for several purposes, each such purpose should be evaluated on its merits, in line with the above principles.

b. Indicative and illustrative matters that may be deemed 'legitimate purpose':

Legitimate Purposes shall ordinarily include, but not restricted to, the information relating to the following:

- Sharing of information with auditors for audit purpose;
- Sharing of information with Fiduciaries (bankers, partners, collaborators, consultants etc.) and Intermediaries for completion of business transactions/ commercial purposes;
- Sharing of information with lawyers/statutory/ regulatory authorities to fulfil any legal obligation related to the Company and to ensure compliance with any applicable law;
- Assessing strategic alliances and opportunities, including through merger, amalgamation or restructuring of the Company;
- where information is required to be shared for bonafide business/commercial/ operational/ management purposes pertaining to the Company, in order to create and maximise value for the shareholders of the Company;
- Sharing of information pursuant to any investigation, enquiry, direction or request for information by any statutory, governmental and/ or regulatory authority/ body that is entitled to call for such information.

- c. UPSI should, at all times, be shared on a need – to – know basis, and only to the extent required.
- d. The nature and extent of UPSI proposed to be shared should be subject to appropriate evaluation, and verification as to whether such sharing is commensurate with the objective sought to be achieved.
- e. The Company should obtain the necessary details in relation to the persons (legal or natural) with whom UPSI is proposed to be shared, 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 deemed fit. While dealing with legal entities, appropriate details of the natural representatives of such legal entities are to be obtained and maintained, in line with the regulatory requirements.
- f. The Company shall maintain the details of the proposed recipient of UPSI in a structured digital database, in accordance with the Insider Trading Regulations.
- g. It is clarified that information may be shared by the Company, from time to time, in the ordinary course of its business activities with persons/entities including, the Fiduciaries, Intermediaries, the advisers and service providers, viz., auditors, merchant bankers and legal advisers/ consultants of the Company, etc. in line with the aforementioned principles.
- h. Further, in order to share UPSI with personnel of other departments of the Company or with outsiders, appropriate wall-crossing procedure as stipulated by the Board shall be followed.

*This Code of Fair Disclosure and Conduct is subject to review by the Board of Directors of the Company from time to time.*



## **POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)**

[Under Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

### **INTRODUCTION**

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak/ suspected of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak/ suspected leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

It is understood that an inquiry into any instance of leak or suspected leak of unpublished price sensitive information (“UPSI”) would necessarily have to be tailored to the specific facts and circumstances of each such instance. Consequently, it is not possible to prescribe a standard operating procedure that would strictly apply in every instance of an inquiry; in fact, flexibility of the inquiry process is critical to ensure that the investigation process appropriately examines all aspects that may arise in different cases.

In view of the above, this Policy sets out the broad principles of the approach that the Company shall follow while examining any case of leak or suspected leak of UPSI. It is clarified that while an inquiry in case of a leak, or suspected leak of UPSI may be operationalised through various modalities, it shall adhere to the key standards set out herein.

Accordingly, the board of directors of the Company (“Board”) has prescribed the following:

### **POLICY**

1. Upon becoming aware of an actual or suspected leak of unpublished price sensitive information, including, by way of: (a) a written complaint and/or communication received from a whistle-blower, (b) communication received from regulatory authorities, (c) Company’s own / internal monitoring, etc., the Board shall, in consultation with the Chief Financial Officer or Compliance Officer evaluate and determine if the matter merits any inquiry or investigation.  
Typically, mere market rumours, inferences based on media reports, or analysts’ observations will not be the determining factor for initiating a preliminary investigation, and the Board shall, in consultation with the Chief Financial Officer or Compliance Officer, have the discretion to decide if a preliminary investigation is required to be undertaken, in each such case.
2. In the event the Board decides that the matter warrants an investigation, it shall promptly constitute an enquiry committee comprising such persons as the Board deems fit (“Enquiry

Committee”), to undertake a fact-finding exercise into the matter (“Enquiry”).

3. As a first step in such Enquiry, the Enquiry Committee shall undertake a preliminary assessment and take necessary steps to analyse the veracity of the allegation (“Preliminary Assessment”), including but not limited to:
  - (a) Evaluating the source and type of the complaint/ allegation;
  - (b) Analysing the nature of the UPSI that was leaked or allegedly leaked, so as to determine the scope of assessment, the parties who could have had access to it and the manner in which it could have been leaked;
  - (c) Examining the complainant, where his/her identity is known, or conduct interviews with other stakeholders, in connection with the matter.
4. Based on the outcome of the Preliminary Assessment, the Enquiry Committee shall determine whether: (a) the allegations are baseless and require no further action, or (b) the particular matter requires further internal enquiry and investigation. The Enquiry Committee shall apprise the Board of its findings along with a brief summary of the research methodology adopted, its recommendations, and reasons for the same. The Board shall, thereafter, deliberate and determine whether the matter requires further investigation.
5. In the event that the Board requires the Enquiry Committee to undertake a detailed investigation, the Enquiry Committee shall conduct the Enquiry and take all necessary steps.
6. The Enquiry Committee shall ensure, at all times, that the Enquiry (including, the Preliminary Assessment) is undertaken in a strictly confidential manner and details regarding the same are shared with relevant internal and external stakeholders on a need – to – know basis only. In cases where the complaint is received from a whistle-blower, the Enquiry Committee shall ensure that his/her identity remains strictly confidential.
7. The Enquiry Committee shall conduct the Enquiry in accordance with the principles of natural justice. Accordingly, the Enquiry Committee shall ensure that the person(s) against whom allegations regarding the leak of UPSI have been levelled are provided the opportunity of being heard and making written submissions, etc. The Enquiry Committee shall appropriately consider the same prior to concluding the Enquiry.
8. Upon the conclusion of the Enquiry,
  - (a) the Enquiry Committee shall apprise the Board of its findings along with a brief summary of the details of the investigation, research methodology adopted, etc.;
  - (b) in the event the Enquiry Committee has determined the party responsible for, or involved in, the leak of UPSI, it will make suitable recommendations to the Board regarding appropriate actions that may be taken, in this regard;
  - (c) the Board shall, where appropriate, take disciplinary and penal action(s) and any other steps it deems necessary, against the persons identified as being responsible for the leak of UPSI.
9. The Board shall inform SEBI of the outcome of the Enquiry and the steps taken by the Company in that regard, in line with the Regulations.
10. The Enquiry Committee shall endeavour to conclude the Enquiry within a period of 30 to 45

days from its commencement. It is clarified that the period for completion of the Enquiry may be extended with the prior permission of the Board, if the circumstances so require.

11. An employee who voluntarily submits information to SEBI relating to any alleged violations of insider trading laws in accordance with the Informant mechanism under the Regulations, shall be suitably protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.