

**CODE OF PRACTICES AND PROCEDURES FOR FAIR  
DISCLOSURES  
AND  
CONDUCT FOR REGULATING, MONITORING  
AND REPORTING OF TRADING BY INSIDERS OF  
UNIVERSUS PHOTO IMAGINGS LIMITED**

## 1. INTRODUCTION

The Securities and Exchange Board of India (SEBI), for protection of investors and to regulate the securities market, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the **“PIT Regulations”**”) under the powers conferred on it under the SEBI Act, 1992 and amended the same by SEBI from time to time. The PIT Regulations came into force w.e.f. May 15, 2015 and are applicable to all companies whose securities are listed on an Indian Stock Exchange.

The PIT Regulations replaced the erstwhile, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Regulations requires every listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other “connected persons” (as defined under the Regulations) towards achieving compliance with these Regulations and enforce a code of internal conduct and procedures based on the model code provided therein.

To achieve these objectives, Company hereby notifies this Code of Conduct (Code) for prevention of any Insider Trading in the Shares of the Company and this Code is to be followed by all the Directors, Officers and Designated Persons.

## 2. PURPOSE AND APPLICABILITY

The Company endeavors to preserve the confidentiality and prevent the misuse of un-published price sensitive information (UPSI). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every director, officer, Designated Person of the Company has a duty to safeguard the confidentiality of all such information which he/ she obtain in the course of performance of official duties. Directors, officers and Designated Person of the Company should not use their position to gain personal benefit.

The Code is applicable to the following persons:

- 1) Promoters including member(s) of Promoter group
- 2) Directors
- 3) Designated Persons
- 4) Concerned Advisers/Consultants/Retainers of the Company
- 5) Connected Persons as defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as per clause 3.7 of this Code of Conduct

## 3. DEFINITIONS

The definitions as framed in Regulation 2 of Chapter I of the Regulations shall apply and form part of this Code.

**“Chief Executive Officer”** (CEO) shall mean the Managing Director of the Company.

**‘Code of Conduct’ or ‘Code’**- The Code of Internal Policy of Disclosures and Procedures for Prevention of Insider Trading in the shares of the Company.

**‘Closure of Trading Window’** means that period which shall be communicated by the Compliance Officer, during which no Director, Officer, Designated Person of the Company shall trade, deal, buy, sell the shares of the Company;

**“Compliance Officer / Chief Investors Relationship Officer”** means Company Secretary of the Company or in absence of Company Secretary, any senior officer, designated so or in absence of both, the Executive Director or such other senior officer, who is financially literate and is capable of appreciating requirements of legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records,

monitoring and adherence to the rules for preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in this Code of Conduct and Compliance officer / Chief Investors Relationship Officer shall function and carry out his responsibilities under the overall supervision of the Board of Directors of the Company.

Explanation – for the purpose of this regulation “financial literate” shall mean a person, who has ability to read and understand basic financial statement like Balance Sheet, Statement of Profit and Loss, Cash Flow statement etc.

**“Connected person”** means,-

- (i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established-
  - (a) an relative of connected persons specified in clause (i); or
  - (b) a holding company or associate company or subsidiary company; or
  - (c) an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 or an employee or director thereof; or
  - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
  - (e) an official of a stock exchange or of clearing house or corporation; or
  - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
  - (h) an official or an employee of a self-regulatory organization recognized or authorized by SEBI ; or
  - (i) a banker of the Company; or
  - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent. of the holding or interest; or
  - (k) a firm or its partner or its employee in which a connected person is also a partner; or
  - (l) a person sharing household or residence with a connected person;

**“Designated Persons”** shall mean the following:

- (i) All Directors on the Board of the Company;
- (ii) Promoters and Promoter Group;
- (iii) Key Managerial Personnel (Key Managerial Persons as defined under the Companies Act,2013);
- (iv) Employees of the Company or its subsidiary, Associate or Joint venture Company, on a case-to-case basis, who could be reasonably expected to have access to Unpublished Price Sensitive Information relating to the Company, to be decided by the Compliance Officer/Chief Financial Officer;
- (v) Such other persons including persons in contractual, fiduciary or advisory capacity with the Company, who may be designated as such from time to time, by the Compliance Officer, for the purpose of this Code; and

- (vi) Auditors
- (vii) Immediate Relatives of the persons specified in (i) to (v) above.
- (viii) Any other person who on the basis of their role and function in the Company, as decided by the Compliance Officer/Chief Financial Officer, from time to time who is reasonably expected to have access to unpublished price sensitive information(s) relating to the Company.
- (ix) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the Company or ability to have access to unpublished price sensitive information.
- (x) Any support staff of the Company, intermediary or fiduciary such as IT staff or secretarial staff as decided by the Compliance Officer of the Company who have access to unpublished price sensitive information.

**"Relative"** shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;
- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv).

**"Insider"** means any person who is

- (i) a connected person; or
- (ii) in possession of or having access to Unpublished Price Sensitive Information.

Further, any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of Regulation.

**'Insider trading'** - means when Insiders/Directors/ Designated Persons of the Company use Unpublished Price Sensitive information to arrive at the decision to deal and trade (buy or sell) in the shares of the Company.

**"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 Regulation.

**"Promoter" and "Promoter Group"** shall have the meaning assigned to it under the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modifications thereof.

**"Regulation"** -means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

**"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

**"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.

The above is only an illustrative list and there might be other instances in relation to which certain unpublished information, upon becoming public, might materially affect the price of securities of the Company.

#### **4. THE ESSENCE OF THE PIT REGULATIONS AND THIS CODE**

##### **The PIT Regulations and this Code, inter alia prohibit an insider:**

From communicating, providing, or allowing access to any Unpublished Price Sensitive Information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except as provided under Regulations 3(3) of the PIT Regulations. As per the PIT Regulations, Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with transaction that would:

- a) Entail an obligation to make an open offer under the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 where the Board of Directors of the listed Company is of informed opinion that the sharing of such information is in the best interest of the Company.
- b) Not attract the obligation to make an open offer but where the Board of Directors of the listed Company is of informed opinion that the sharing of such information is in the best interests of the Company and the Unpublished Price Sensitive Information is disseminated to be made generally available at least 2 trading days prior to the proposed transaction being affected.

This prohibition does not apply where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligation.

#### **5. DEALING IN SECURITIES BY DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES**

In addition to the prohibitions on insider described in Clause 4 above, this Code imposes certain additional responsibilities and restrictions on certain categories of persons, who are defined below as Designated Persons.

##### **5.1 Special Responsibilities and Restrictions on Designated Persons**

The special responsibilities and restrictions imposed on Designated Persons are:

- a) Furnish Initial Disclosure about the number of securities of the Company held by him/her and his / her immediate relatives, within 2 working days of implementation of this code or within 2 working days of joining the Company or becoming designated person.

- b) Obtain prior clearances of the Compliance officer / Chief Investors Relationship Officer before dealing in securities exceeding such threshold limit as may be notified from time to time (refer to Clause 6.5 of this Code)
- c) Not to deal in securities, during certain closed periods as may be notified generally or from time to time. (refer to Clause 6.6 of this Code)
- d) Preserve Unpublished Price Sensitive Information. (refer to Clause 6.1 of this Code)
- e) Designated persons shall not communicate, provide or allow access to any unpublished price sensitive information, relating to the Company or Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligation.
- f) Not to pass on any Price Sensitive Information to any person (including but not limited to his or her family members, friends, business associates etc.) directly or indirectly by way of making recommendation for trading in Company's securities.
- g) Not to communicate Price Sensitive Information in situation in which there would be an uncertainty as regards conflict of interest or the possibility of misuse of the information.
- h) Not to discuss or disclose Price Sensitive Information in public places.
- i) Not to disclose Price Sensitive Information to any Employee who does not need to know the information for discharging his or her duties or responsibilities.
- j) Not to apply for pre-clearance and trade plan when in possession of Unpublished Price Sensitive Information even though the closed period is not notified till such time the Unpublished Price Sensitive Information becomes generally available.
- k) Not to execute contra trade within a period of 6 months from the date of last transaction either by self or through immediate relatives. Provided that this restriction shall not be applicable for trades pursuant to exercise of stock options.

If the opposite transactions are executed in violation of this provision, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

Such persons may however apply to the Compliance officer / Chief Investors Relationship Officer in for waiver of the restriction on contra trade, if there is a need to sell the said securities due to personal emergency.

Every Designated Person is required to maintain strict confidentiality of all Unpublished Price Sensitive Information and prohibited from passing on such information to any person directly or indirectly. Attention is specifically drawn to Regulation 3(i) of the PIT Regulations, which prohibits an insider to communicate, provide, or allow access to any Unpublished Price Sensitive Information relating to the Company or its securities listed or proposed to be listed. All data, documents, information, forms, records, files (physical as well as soft files) are required to be kept secure and confidential by all the designated persons. All information within the organization shall be handled on need-to-know basis.

When a person who has traded in securities has been in possession of unpublished price sensitive information, his/her trade would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

## **6. PREVENTION OF MISUSE OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"**

### **6.1 Preservation of "Price Sensitive Information"**

The Directors, Designated Employees, Connected Person and concerned Advisers or Consultants or Retainers of the Company shall maintain the confidentiality of all price sensitive information and shall

not communicate any Unpublished Price Sensitive Information to any person except on 'need to know basis' – i.e. that Unpublished price Sensitive Information should be disclosed only to those persons within the Company or persons connected with the Company who need the Information to discharge their duty or legal obligations and whose possession of such information will not give rise to a conflict of investor or appearance of misuse of the information. The Directors, Designated Employees, Connected Person and concerned Advisers or Consultants or Retainers of the company shall not pass on any Price Sensitive Information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

## **6.2 Limited access to confidential information**

The Directors, Designated Persons, Connected Persons and concerned Advisers or Consultants or Retainers of the Company shall keep the files containing confidential Price Sensitive Information duly secured and computer files must be kept with adequate security of login and password, etc.

## **6.3 Receipt of UPSI for legitimate purpose**

Receipt of Unpublished Price Sensitive Information for legitimate purpose shall be considered as insider for the purpose of this code. Accordingly, the person who shares UPSI shall give proper notice to the recipient of UPSI to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations, 2015.

## **6.4 Trading Plans**

6.4.1 SEBI Regulation entitles the Insider to formulate a trading plan. If any insider / Designated persons wish to formulate trading plan for trading in securities of the Company, he may do so and present it to the Compliance officer / Chief Investors Relationship Officer. Trading Plan is optional, however, if any insider opt for Trading Plan, the same need to be as per strict provisions of the Regulation 5 of SEBI PIT Regulation. Trading Plan need to be approved by the Compliance officer / Chief Investors Relationship Officer and disclosed to the Stock Exchange. Once Trading Plan approved, it becomes irrevocable.

The Insiders-

- (a) Shall commence trading under such trading plan only after a period of 6 months has elapsed from the date of public disclosure.
- (b) Shall not trade for a period between the 20<sup>th</sup> trading day prior to the last day of any financial period, for which results are required to be announced by the Company and up to closure of 2<sup>nd</sup> trading day after such financial results made public.
- (c) Shall not be entitled to trade under the trading plan for a period of less than 12 months.
- (d) Shall not form a trading plan when another trading plan is already in use.
- (e) Shall either set out the value of trade to be effected or the number of securities to be traded along with the nature of the trade and the intervals at or dates on which such trades shall be affected.
- (f) Shall not use trading plans for trading in securities for market abuse.
- (g) Shall mandatorily implement the plan without being entitled to either deviate from it or execute any trade outside the scope of the Trading Plan. Thus, the Trading Plan, once published, shall be irrevocable.

6.4.2 However, the insider shall not commence trading under trading plan if any Unpublished Price Sensitive Information in his possession at the time of formulation of the plan has not become generally available information at the time of commencement of the plan. In such cases, the

Compliance officer / Chief Investors Relationship Officer will confirm its commencement ought to be deferred.

- 6.4.3 The Compliance officer / Chief Investors Relationship Officer shall review the trading plan to assess whether the plan has the potential for violation of the PIT Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 6.4.4 It is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. It is further clarified that trading window norms and restrictions on a contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.
- 6.4.5 Upon approval of the trading plan, the Compliance officer / Chief Investors Relationship Officer shall notify the plan to the stock exchanges on which the Securities are listed.

## **6.5 Pre-Clearance of Dealing**

- 6.5.1 Every Designated Person is required to obtain pre-clearance from the Compliance officer / Chief Investors Relationship Officer by making an application before he and/or any of his immediate relatives, deals in securities (either buy/acquire or sell/dispose), if the market value of securities involved in the deal, in aggregate, exceeds Rs. 10 Lakhs.

It is hereby clarified that the value of securities traded will include the aggregate of purchases as well as sale of securities.

- 6.5.2 The application shall be made together with an undertaking to the Company. The undertakings shall state that the Designated Person is not in possession of Unpublished Price Sensitive Information relating to securities at the time of signing of the undertaking and that should he/she receive any such Unpublished Price Sensitive Information after signing but before execution of the applied for transaction, he will refrain from executing transaction. The company shall give order for approval of pre-clearance.
- 6.5.3 Designated Person and/or any of his immediate relatives shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Designated Person and /or any of his immediate relatives shall file within 2 days of the execution of the deal with the Compliance officer / Chief Investors Relationship Officer.
- 6.5.4 The application for pre-clearance if granted shall be valid for 7 days starting from the date of pre-clearance. In other words, the pre cleared transaction is required to be executed within 7days starting from the date of pre-clearance, failing which pre-clearance would be required to be sought afresh.

Pre-clearance of the trades to be executed by the Compliance officer / Chief Investors Relationship Officer will be approved by the Chairman of the Company and responsibilities with regard to Compliance officer / Chief Investors Relationship Officer shall lie on the chairman mutatis mutandis.

Any violation of this declaration and undertaking is liable to attract the serious consequences of default specified in Clause 11 of this Code.

## **6.6 Trading Window and prohibition on dealing during Window Closure**

- 6.6.1 The Company shall specify a trading period, to be called "Trading Window", for trading in the Company's Securities. When the Trading Window is closed, all Designated Persons (including their immediate relatives) and all promoters including member of promoter group shall not trade in the Company's securities in such period. The Trading Window shall be closed during the time the information referred to in paragraph (c) is unpublished.
- 6.6.2 The Trading Window shall be, inter alia, closed:
- (i) From the date of announcement of Board Meeting for declaration of financial results;
  - (ii) From the date of announcement of Board Meeting for declaration of dividends;
  - (iii) From the date of announcement of Board Meeting held to approve change in capital structure or further issuance of securities by way of public/right/bonus, etc.;
  - (iv) From the date of announcement of Board Meeting held to approve mergers, demergers, takeovers, acquisitions, buy-back, delisting, disposals and expansion of business and such other transactions;
  - (v) From the date of announcement of Change(s) in KMP;
  - (vi) For such other period and for any such other event as and when the Compliance officer / Chief Investors Relationship Officer determines that designated persons or class of designated persons can reasonably be expected to have unpublished price sensitive information and as may be deemed fit by the Compliance officer / Chief Investors Relationship Officer.
- 6.6.3 The time for re-opening of Trading Window shall be determined by the Compliance officer / Chief Investors Relationship Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information referred to in para (c) above becomes public/ generally available.
- 6.6.4 The trading / dealings in Company's securities by all Designated Persons(including their immediate relatives) shall be conducted during the period when the trading window is open subject to pre-clearance by Compliance officer / Chief Investors Relationship Officer as referred under Clause 6.5 of this Code, or as per approved trading plan and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when Trading Window is closed, or during any other period as may be specified by the Compliance officer / Chief Investors Relationship Officer from time to time.

## **6.7 CONTRA TRADE:**

- 6.7.1 All Designated Persons who buy or sell Securities of the Company shall not enter into an opposite transaction (contra trade) i.e. sell or buy Securities during the six months period post the previous buy/sell.
- 6.7.2 The Compliance Officer/ Chief Investors Relationship Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate the Regulations.
- 6.7.3 If an opposite transaction (contra trade) is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the

Act.

## 7. DISCLOSURE

The disclosure to be made by any person under this code shall include those relating to trading by immediate relative(s) of such person and by any other person for whom such person takes trading decisions. This disclosure of trading in securities shall also include trading in derivatives and traded value of the derivatives shall be taken into account for the purpose of this code.

### 7.1 Initial Disclosure

- a. Every Promoter including member of promoter group, Designated Person, KMP and Director, is required furnish details of securities and derivative positions in securities held by him in or his immediate relatives in within 30 days of this code coming in to effect.
- b. Every Promoter including member of promoter group, Designated Person, KMP and Director, on being appointed / designated as such, is required to furnish the names of self or his immediate relatives in within 07 days.

The Designated Persons mentioned above also need to ensure that information of any change in immediate relatives is informed to the Company within 7 days of such change.

### 7.2 Event based Disclosure

Every Promoter including member of promoter group, Designated Person, KMP and Director of the Company shall disclose to the Company, the number of securities acquired or disposed of within 2 trading days of such transaction, if the aggregate value of securities traded, whether in one transaction or series of transaction in any calendar quarter, exceeds an aggregate amount of Rs. 10lakhs.

It is hereby clarified that the value of securities traded will include the aggregate of purchases as well as sale of securities.

The Company shall notify the particulars of such trading to the stock exchanges on which the securities are listed within 2 trading days of receipt of the disclosure or from becoming aware of such information.

If so demanded by the Compliance officer / Chief Investors Relationship Officer, above referred Persons shall furnish copies of account statements of securities, or such other document as may reasonably be required by the Compliance officer / Chief Investors Relationship Officer, in order to enable him to verify the accuracy of the information furnished and monitor adherence with this Code, by Designated Persons. Such statement or other document is required to be submitted within 7 calendar days of demand or within such extended period as may be allowed by the Compliance officer / Chief Investors Relationship Officer.

### 7.3 Annual Disclosure

Every Designated Person, Promoter, KMP and Director of the Company shall on annual basis, disclose to the Company, the details of all holdings in Securities of the Company held by him including statement of holding of their immediate relatives on or before April 30 (for year ended March31).

## 8. MAINTENANCE OF STRUCTURED DIGITAL DATABASE

**8.1** The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this code read with PIT Regulations, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

**8.2** The said digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

## **9. MECHANISM FOR PREVENTION OF INSIDER TRADING**

The Company has adopted system of internal controls which mainly consist of the following, to prevent dealing in securities by insiders with misuse of unpublished price sensitive information:

**9.1** All employees who have access to unpublished price sensitive information are identified as designated employee.

**9.2** All unpublished price sensitive information shall be identified and its confidentiality shall be maintained by designated employee and others who have knowledge of unpublished price sensitive information.

**9.3** Adequate restriction shall be placed on procurement, communication and sharing of unpublished price sensitive information by designated employee and others who have knowledge of unpublished price sensitive information.

**9.4** List of employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreement shall be executed or notice shall be served to all such employees and persons

**9.5** Audit Committee shall review once in a financial year, the process to evaluate effectiveness of the above said internal controls and shall verify that the system for internal control are adequate and are operating effectively.

**9.6** Audit committee shall review at least once in a financial year, compliance with this code read with PIT Regulations.

## **10. DEALING IN CASE OF SUSPECTED LEAK OR LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

### **10.1 Inquiry for Leakage of UPSI**

All UPSI shall be handled on a need to know basis only. In case of any UPSI is proposed to be provided, the person proposing to provide the information shall consult Chief Financial Officer / Company Secretary / Chairman and Managing Director in advance.

In case any UPSI is leaked or is suspected to be leaked by any insider, the Chief Financial Officer will investigate the matter and collect / gather the evidences and will report to the Chairman of Audit and Risk Management Committee. The Chairman of the Audit Committee will thereafter convene meeting of Audit Committee depending on severity of the matter.

### **10.2 Process for inquiry**

All the matters concerning leak of UPSI or suspected leak of UPSI, will be thoroughly investigated by Chief Financial Officer. Chief Financial Officer may at their discretion, consider involving external investigators for the purpose of the investigation.

The Chief Financial Officer may ask the concerned insider to remain present for investigation, discussion

etc. and for such investigation Chief Financial Officer may ask for personal bank account statement or such other details or documents as it deems fit.

### **10.3 Report to Audit Committee for appropriate action**

The CFO will report to the Chairman of the Audit & Risk Management Committee and upon receipt of report by the Chairman, he will convene meeting of the Audit Committee, depending on severity of the matter. The Audit Committee based on such report decide the suitable action including but not limited to withholding of salary / termination of employment / monetary penalty.

## **11. CONSEQUENCES OF DEFAULT / PENALTIES FOR CONTRAVENTION**

### **Consequences of default include the following:**

Every Designated Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his / her immediate Relatives).

The Designated person, who violates this Code shall, in addition to any other penal action that maybe taken by the Company pursuant to the law, also be subject to disciplinary action including termination of employment, suspension, wage freeze, non-participation in future employee stock option or any other appropriate action as may be imposed by the Audit Committee / Board.

In any non-adherence is observed, the Compliance officer / Chief Investors Relationship Officer shall cause an internal enquiry and if non-compliance is established, he shall report to the Chairman & Managing Director / CEO and after further inquiry or investigation or direction, the Chairman & Managing Director / CEO will decide further course of action including reporting to the Board of Directors.

In case of any non-observance of this code by any Director, the same shall be decided by the Board.

Action taken by the Company for violation of this code against any Designated Person will not preclude the SEBI from initiating any action for violation of the Regulations or any other applicable laws, rules, directions, etc. Accordingly, in addition to the action taken by the Company, the person violating this Code and Regulations will also be subject to action by SEBI.

In case the Board of Directors of the Company observed and determined that there has been violation of this code and Regulations, it is mandatory for the Board to inform the SEBI about such violation, as per the Regulations.

- i. As per the Section 15G and 24 of the Act, Insider, who violate the PIT Regulations, are liable to a penalty that may be imposed by SEBI which shall not be less than Rs. 10 lakhs but which may extend to Rs. 25 crores or 3 times the amount of profit made out of the Insider Trading, whichever is higher and shall also punishable with imprisonment for a term extending to 10 years or a fine up to Rs. 25 crores or with both.
- ii. As per Section 11(C) (6) of the Act, if any person without justifiable reason, refuse to co- operate in any investigation by SEBI with respect to Insider Trading, then he shall be punishable with an imprisonment for a term extending up to one year, or with fine up Rs. 1 Crore or with both, and also with further fine up to Rs. 5 lakh for every day of such non co - operation.

- iii. As per Section 11(4) (b) of the Act, SEBI is also empowered to pass directions to such insider not to deal in the concerned securities in any particular manner and/or prohibit him from disposing of the concerned securities and/or declaring the concerned transaction(s) of securities as null and void, restraining the insider from communicating or counseling any person to deal in Securities.
- iv. When a person who was traded in securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. This onus is on the insider to prove that they are innocent.

Any violations under the PIT Regulations and this Code will be reported by Compliance officer / Chief Investors Relationship Officer to SEBI.

## **12. ROLE OF COMPLIANCE OFFICER / CHIEF INVESTORS RELATIONSHIP OFFICER IN PREVENTION OF INSIDER TRADING.**

The Compliance officer / Chief Investors Relationship Officer shall be responsible for setting forth policies, procedures and monitoring adherence to the rules for the preservation of unpublished price sensitive information, preclearing and monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company.

The Compliance officer / Chief Investors Relationship Officer shall report to the Board of Directors/ Stakeholders Committee / Audit Committee (by whatever name called), the changes in Designated Persons, the details of trading plans received, pre-clearance given and / or any violation of the PIT Regulations reported.

The Compliance officer / Chief Investors Relationship Officer shall maintain a record of the Designated Persons and any changes made in the list of Designated Persons.

The Compliance officer / Chief Investors Relationship Officer shall assist all the persons in addressing any clarification regarding this Code and the PIT Regulations.

The Compliance officer / Chief Investors Relationship Officer shall report to Audit Committee/Board of Directors any amendment to SEBI (PIT) Regulations, 2015 and accordingly this code will be amended by Audit Committee/Board of Directors depending upon the effect of proposed amendment.

## **13. FORMATS FOR DISCLOSURES**

All disclosures shall be made in such forms / formats as may be prescribed by the SEBI under the Regulations from time to time or by the Compliance Officer of the Company, if any form / format are not prescribed by the SEBI.

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