



## INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

### **A. Role of CEO/Company Secretary**

1 The Chief Executive Officer or Company Secretary of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the said regulations to prevent insider trading.

2 The internal controls shall include the following:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by the regulations;
- d) lists of all employees and other persons with whom unpublished price sensitive information is shared, shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under the regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

### **B. Role of the Board of Directors**

The board of directors shall ensure that the CEO or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of the regulations. The Board of Directors/Chairman & CEO/Company Secretary shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom unpublished price sensitive information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not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.

### **C. Role of Board**

The Board shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

### **D. Leak of Unpublished Price Sensitive Information**

- a) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government.



- b) The complaint shall inter-alia state particulars of the compliance and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
- c) The Complaint shall be addressed to the Company or Board or Board or Compliance Officer by whatever name called.
- d) Within 2 (Two) working days of receipt of the complaint Compliance Officer shall write to the compliance intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter.
- e) Within 7 (seven) working days of receipt of representation, Compliance officer shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During the course of such investigation, he may call for such additional documents, representations, etc. as he may deem fit.
- f) On completion of the preliminary investigation, receipt of reply to the show cause notice issued or on non-receipt thereof, Compliance Officer shall refer the matter to the Chairman of the Board, along-with his opinion, for his consideration.
- g) Chairman of the Board on receipt of such opinion shall proceed to convene a meeting of the Board and shall convene the concerned meeting within a period of 30 days of receipt of opinion of Compliance Officer.
- h) The Board shall consider the matter and put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion that the compliance is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the company as, mentioned clause no. 8
- i) The Company Suo moto reserves the right of initiating an inquiry under this against any designated person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.