

POLICY ON DETERMINATION OF LEGITIMATE PURPOSE FOR SHARING UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

1. Background

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information ('**UPSI**'), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by SEBI (Prohibition of Insider Trading) Regulations, 2015 ('**Regulations**') as amended from time to time and the Company's Code of Conduct for Prevention of Insider Trading ('**Code**').

This "**Policy on Determination of Legitimate Purpose**" ('**Policy**') is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, in 2018.

This policy is effective from Financial Year 2019-20.

2. Applicability

This policy is applicable to all Insiders.

3. Definitions

(a) "Connected Person" means Connected Person as defined under Regulations and shall also include promoters and their directors and key managerial personnel. (*Regulation 2(1)(d)*).

(b) "Insider" means any person who is

- i) a Connected Person or
- ii) in possession of or having access to Unpublished Price Sensitive Information. (*Regulation 2(1)(g)*)

(c) "Unpublished price sensitive information or UPSI" means any information, relating to a company or its securities, directly or indirectly, that is not generally available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, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel;
- (vi) [such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer from time to time. (*Regulation 2(1)(n)*)

4. Legitimate Purpose

“Legitimate Purpose” shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. The Company may share the UPSI, if required in the interest of the Company.

Legitimate Purpose shall interalia include sharing of UPSI on need to know basis by an insider with collaborators, lenders, merchant bankers, legal advisors, auditors or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations. (*Regulation 3(2A) and 3(2B)*).

In following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

- i. For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;
- ii. Under any proceedings or pursuant to any order of courts or tribunals;
- iii. As part of compliance with applicable laws, regulations, rules and requirements;
Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.
- iv. Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.
- v. Arising out of business requirement including requirement for the purposes of promoting the business and Strategies of business.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and shall comply with the Code.

5. Process for sharing UPSI

The insider shall conduct the following steps while sharing UPSI:

- i) Satisfy that information is UPSI and sharing is for legitimate purpose
- ii) Identify the persons with whom the information is to be shared
- iii) Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- iv) Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
- v) Maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

6. Policy Review

The Policy shall be reviewed periodically in accordance with review of internal control and check as well as changes or any regulatory requirements from time to time.

In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.
