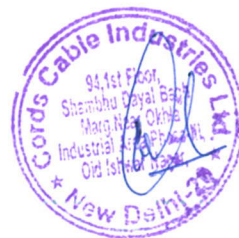


# **CORDS CABLE INDUSTRIES LIMITED**

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING** **(PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF** **INSIDER TRADING) REGULATIONS, 2015)**

**Approved by the Board of Directors in their meeting held on May 24, 2024**  
**effective from May 24, 2024**



## **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

[Pursuant to Regulation 9(1) of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

### **Introduction**

Regulation 9(1) of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the Regulations') requires a listed company to formulate a Code of Conduct to regulate, monitor and report trading by its designated persons (as defined below) and immediate relatives of designated persons, towards achieving compliance with the said Regulations and adopting the minimum standards set out in Schedule B to the Regulations.

To be compliant with the Regulations, as amended, a revised Code of Conduct to be effective from 24<sup>th</sup> May, 2024, to regulate, monitor and report trading by Insiders ('the Code') for the Company is hereby framed in substitution of the Company's earlier Code of Conduct:

### **1. Definitions**

- (1.1) "**Act**" means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- (1.2) "**Board**" means board of directors of the Company.
- (1.3) "**Company**" or "**the Company**" means Cords Cable Industries Limited ("CORDS").
- (1.4) "**Connected Person**" means:
- (i) any person who is or has, during the six months prior to the concerned act, been associated with the Company, directly or indirectly, in any capacity 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 between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information ("UPSI") or is reasonably expected to allow such access.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 immediate 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 Act 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 the 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 the Board; 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 the Company or his immediate relative or banker of the Company, has more than ten per cent of the holding or interest.

(1.5) **"Compliance Officer"** means Company Secretary of the Company or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

For the purpose of the above definition, "financially literate" shall mean a person who has the ability to read and understand basic financial statements, i.e. balance sheet, profit and loss account, and statement of cash flows.

(1.6) **"Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

(1.7) **"Designated Persons"** means:

- (i) All Directors of the Company;



- (ii) All Promoters of the Company;
- (iii) Key managerial personnel as defined under Section 2(51) of the Companies Act, 2013.;
- (iv) Other executive directors and all vice presidents of the Company;
- (v) Such employees of the Company in finance, secretarial, investor relations and any other department as may be determined by the Compliance Officer from time to time;
- (vi) every employee in the grade of General Managers and above;
- (vii) Any support staff of the Company who have access to UPSI as may be determined by the Compliance Officer from time to time; and
- (viii) Immediate Relatives of the persons mentioned above.

(1.8) "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis.

(1.9) "**Insider**" means any person who is:  
(i) a Connected Person; or  
(ii) in possession of, or, having access to UPSI.

(1.10) "**Immediate Relative**" means the spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in Securities;

(1.11) "**Material Financial Relationship**" means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions;

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

(1.13) "**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;

(1.14) "**Securities of the Company**" shall have the meaning assigned in accordance with the Securities Contracts (Regulations) Act, 1956 or any modification thereof. As on date, it will mean equity shares of the Company.



- (1.15) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and 'trade' shall be construed accordingly.
- (1.16) **"Trading day"** means a day on which the recognized stock exchanges are open for trading.
- (1.17) **"Unpublished Price Sensitive Information" or "UPSI"** 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 of the Company and shall, ordinarily include but not be restricted to, information relating to the following: -
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and
  - (v) changes in key managerial personnel.
  - (vi) Such other information as may be specified by the Compliance Officer for this purpose.
- (1.18) Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

## 2. **Role of Compliance Officer**

- (2.1) The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.
- (2.2) The Compliance Officer shall assist all Employees in addressing any clarifications regarding the Regulations and the Company's Code of Conduct.

## 3. **Preservation of UPSI**

- (3.1) All information shall be handled within the Company strictly on a need-to-know basis, and no UPSI shall be communicated to any person except in furtherance of the legitimate purposes, the performance of duties or discharge of legal obligations.



UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the Takeover Regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the Takeover Regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least 2 (two) trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties, and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of UPSI.

The structured digital database shall be maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non -tampering of the database.

The structured digital database shall be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

The gap between the clearance of accounts by the Audit Committee and the Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.



(3.2) Need to Know:

- (i) "need to know" basis means that UPSI should be disclosed only to those within the Company who need the information to discharge their duty, perform any legal obligation and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

(3.3) Limited access to confidential information:

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

- (3.4) Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" for the purpose of this Code of Conduct and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Regulations.

The term "legitimate purposes" shall be determined in accordance with the Company's Insider Trading related Code of Fair Disclosure and Conduct, as amended from time to time.

#### 4. Prevention of misuse of UPSI

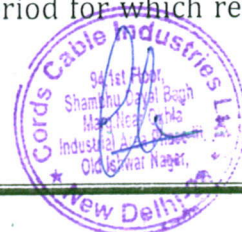
The Designated Persons shall be governed by an internal code of conduct governing dealing in securities.

(4.1) Trading Plan

An Insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

(4.2) Trading Plan shall

- (i) not entail commencement of trading on behalf of the Insider earlier than 6 (six) months from the public disclosure of the plan;
- (ii) not entail trading for the period between the 20th (twentieth) trading day prior to the last day of any financial period for which results are



- required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than 12 (twelve) months;
  - (iv) not entail overlap of any period for which another trading plan is already in existence;
  - (v) set out either the value of trades 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 effected; and
  - (vi) not entail trading in securities for market abuse.

(4.3) The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved Trading Plan.

Provided further that the Trading Window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

(4.4) The Trading Plan once approved shall be irrevocable, and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan.

However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information.

(4.5) Upon approval of the Trading Plan, the Compliance Officer shall notify the Plan to the stock exchange(s) on which the securities are listed.

## 5. Information to be provided by the Designated Persons

The Designated Persons shall be required to disclose name(s) and the Permanent Account Number or any other identifier authorized by the law of the following persons to the Company on an annual basis, and as and when the information changes:





- (a) Immediate relative(s);
- (b) Persons with whom such Designated Person(s) shares a material financial relationship; and
- (c) Phone, mobile and cell numbers which are used by them.

In addition, the names of educational institution(s) from which the Designated Persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

## 6. Trading Window and Window Closure

(6.1) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

- i. The trading window shall be, inter alia, closed from the 1st day of beginning of the financial quarter up to the expiry of 48 hours from the publication of financial results and other UPSI.

The Trading Window shall be closed in accordance with applicable regulatory directive, or, when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI. Accordingly, the Trading Window shall be, closed inter alia, at the time of:

- a. Declaration of Financial Results (quarterly, half-yearly and annual)
  - b. Declaration of Dividends (interim and/or final)
  - c. Issue of securities by way of public/ rights/ bonus etc.
  - d. Any major acquisition/ expansion plans or execution of new projects
  - e. Amalgamation, mergers, takeovers and buy-back
  - f. Disposal of whole or substantially the whole of the undertaking
  - g. Happening of any event as a result of which the Compliance Officer thinks fit that an UPSI exists.
  - h. Any information which, if disclosed, is likely to materially affect the prices of the securities of the Company.
- ii. When the trading window is closed, the Designated Persons shall not trade in the Company's securities in such period.
  - iii. All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (i) above or during any other period as may be specified by the Company from time to time.



- iv. In the case of Employee Stock Options Plans, an exercise of the option is not permitted during the period when the trading window is closed. The provisions of this Code will apply to the exercise of options and trading in the shares allotted out of the vested stock options.
- (6.2) The Compliance Officer shall intimate the closure of trading window to all the Designated Persons of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.
- (6.3) The Compliance Officer after taking into account various factors including UPSI in question becoming generally available and being capable of assimilation by the market shall decide the timing for reopening of the trading window, however, in any event, it shall not be earlier than 48 (Forty eight) hours after the information becomes generally available.
- (6.4) The Trading window period shall be made applicable from the end of every quarter till 48 (Forty eight) hours after the declaration of financial results.

## 7. Pre-clearance of trades

All Designated Persons, who intend to deal in the securities of the Company when the Trading Window is opened and if the value of the proposed trades, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs 10,00,000 (Rupees Ten lakhs only) (market value), should pre-clear the transaction. However, no Designated Person shall be entitled to apply for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the trading window is not closed and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

1. An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Designated Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
2. An undertaking (Annexure 2) shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:
  - (a) That the Designated Person does not have any access or has not received UPSI up to the time of signing the undertaking.



- (b) That in case the Designated Person has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - (c) That he/she has not contravened this Code.
  - (d) That he/she has made a full and true disclosure in the matter.
3. The Compliance Officer shall either clear the requested trade or decline to clear the requested trade within 3 (Three) working days from the receipt of the application (duly completed in all respects) in the prescribed form. (Annexure 3).

In case the Compliance Officer declines to clear the requested deal, he shall assign reasons in writing for doing so. If the designated person doesn't receive any response from the Compliance Officer within the aforesaid period of 3 (Three) working days, the requested deal can be deemed to have been cleared by the Compliance Officer.

4. All Designated Persons shall execute their order in respect of securities of the Company within 7 (seven) trading days after the approval of pre-clearance is given. The Designated Persons shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (Annexure 4).
5. If the order is not executed within 7 (seven) trading days after the approval is given, the Designated Person must pre-clear the transaction again.
6. All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction, i.e. sell or buy any number of shares during the next 6 (six) months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be 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.

Provided that the above is not applicable for trade(s) pursuant to the exercise of stock option(s).

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30



(Thirty) days. The holding period would commence when the securities are actually allotted.

7. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.
8. In case the Compliance Officer or any of his/ her Immediate Relative(s) wish to deal in the Securities, he / she would have to make an application to the Managing Director of the Company. The remaining provisions of this clause, as applicable to Designated Person, would also apply to the Compliance Officer.
9. In absence of the Compliance Officer, the Executive Director & Chief Financial Officer shall deal with the pre-clearance requests.

## **8. Other Restrictions**

- (8.1) The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- (8.2) The disclosures of trading in securities shall also include trading in derivatives of securities, and the traded value of the derivatives shall be taken into account for purposes of this Code. Provided that the trading in derivatives of securities is permitted by any law for the time being in force.
- (8.3) The disclosures made under this Code shall be maintained for a period of 5 (Five) years.

## **9. Reporting Requirements**

### **Initial Disclosure**

- (9.1) Every Promoter, member of the Promoter Group, Key Managerial Personnel, Directors of the Company, within 30 (Thirty) days of the Regulations taking effect shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of immediate relatives in the prescribed Forms (Annexure 5).
- (9.2) Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within 7 (Seven) days of such appointment or becoming a promoter. (Annexure 6)



## **Continual Disclosures**

(9.3) Every Promoter, member of the promoter group, designated person and Director of the Company shall disclose to the Company in (Annexure 7), the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs 10,00,000 (Rupees Ten lakhs only). The disclosure shall be made within 2 trading days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

The Compliance Officer may after considering the facts, circumstances and appropriateness, require the connected person or class of connected persons to whom the Company has to provide UPSI in the course of its business, to furnish the details of holdings and trading in securities of the Company.

## **Annual Disclosure**

Designated Person(s) shall disclose his/her holding as on March 31 every year within a period of 30 days from the end of each year in the format prescribed. (Annexure 8)

## **10. Disclosure by the Company to the Stock Exchange(s)**

(10.1) Within 2 (Two) trading days of the receipt of intimation under Clause 9.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

(10.2) The abovementioned disclosures shall be made in such form and such manner as may be specified by SEBI from time to time

(10.3) The Compliance Officer shall maintain records of all the declarations in the appropriate form given under the Regulations for a minimum period of 5 (Five) years.

## **11. Dissemination of UPSI**

(11.1) No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

(11.2) Disclosure/ dissemination of UPSI with special reference to analysts, media persons and institutional investors: The following guidelines shall be followed while dealing with analysts and institutional investors:



- Only public information to be provided.
- At least 2 (Two) Company representatives must be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes UPSI, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

## 12. Procedure and penalty

- (12.1) Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- (12.2) The Designated Persons shall also observe the duties and responsibilities attached to the receipt of Inside Information, failing which they shall be liable for misuse or unwarranted use of such information.
- (12.3) An inquiry in case of a leak or suspected leak of UPSI shall be carried out in accordance with the procedure specified in the Whistle Blower Policy of the Company.
- (12.4) Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised, and appropriate action may be taken by the Company.
- (12.5) Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in employee stock option plans, etc.
- (12.6) Any amount collected under clause 12.5 above, shall be remitted to SEBI for credit to Investor Protection and Education Fund administered by SEBI under the Act.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

## 13. Code of Fair Disclosure

- (13.1) A code of practices and procedures for fair disclosure of UPSI has been published on the Company's official website. The Code is for adhering to the principles set out in the Schedule A to the Regulations also makes part of this CODE.



(13.2) The aforesaid code and every amendment thereto shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

#### 14. Amendment

The Board of the Company shall review and may, amend this Policy from time to time.

Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Act and SEBI Regulations. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

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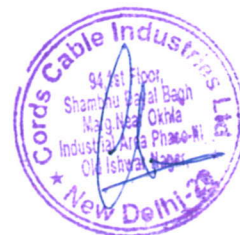
## **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

[Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

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

Accordingly, the following Code has been formulated by the Company:

- 1) The Company shall ensure prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available' i.e. to make the information accessible to the public on a non-discriminatory basis.
- 2) The Company shall ensure uniform and universal dissemination of UPSI to avoid selective disclosures.
- 3) The Company Secretary who is the Compliance Officer of the Company shall act as the Chief Investor Relations Officer for the purpose of dealing with dissemination of information and disclosure of UPSI.
- 4) If the Company has inadvertently or otherwise, disclosed any UPSI selectively, such information shall be disseminated promptly to make it generally available.
- 5) The Company shall ensure appropriate and fair responses to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- 7) Best practices shall be developed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences available on the Company's website [www.cordscable.com](http://www.cordscable.com) to ensure official confirmation and documentation of disclosures made. The Company shall handle all UPSI on a need-to-know basis.
- 8) Sharing information with lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants shall be considered as "**legitimate purposes**" for the purposes of sharing UPSI in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions under the SEBI (Prohibition of Insider Trading) Regulations, 2015.





- 9) Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Regulations. The Compliance Officer shall ensure that such third party is also bound by non-disclosure or confidentiality agreements which shall also mention the duties and responsibilities of such person with respect to such UPSI and the liabilities involved if such person misuses or uses such UPSI in breach of these Regulations.
- 10) A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of Maintenance of a digital database for sharing the information for said legitimate purposes.

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