

ei ecom infotech (i)ltd

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)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, as amended]

1. BACKGROUND AND APPLICABILITY

The Company endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI) and to prevent misuse of such information. The Company strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated Person, Support Staff or any other known or unknown person(s) with any unauthorized person which affects the market price of the Company as well as causes loss of reputation and investor’s / financier’s confidence in the company.

Leakage of UPSI from a company is a matter of serious concern not only for the regulator but for the company as well.

Regulation 9A(5) of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“PIT Amendment Regulations”) mandates every listed company to **formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information** or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and to initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform Securities and Exchange Board of India (“SEBI”) promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of ---- (the Company) has formulated and approved the policy for procedure of inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information (‘the policy’) at the meeting of Board of Directors held on 21stFebruary, 2019. This Policy shall be effective from April 1, 2019.

2. OBJECTIVE

- (i) To initiate and lay procedures for inquiry in case of leak of UPSI or suspected leak of UPSI.
- (ii) To take disciplinary actions, if deemed fit against any Insider, Employee, Designated Persons who have found to be guilty of violating the SEBI (Prohibition of Insider Trading) Regulations, 2015, apart from any action that SEBI may initiate/take against the Insider, Employee, Designated Persons and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

3. **DEFINITIONS:**

(i) Chief Investor Relation Officer (“CIO”)

shall mean the Compliance Officer of the Company appointed by the Board of Directors.

(ii) Leak of UPSI

shall mean communication of information which is / shall be UPSI by any Insider, Employee, Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board or Chief Investor Relation Officer (CIO) of the Company after following the due process prescribed in this behalf in the Code of Practices for Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

(iii) Support Staff,

shall include IT Staff, Secretarial Staff, Legal Staff, Accounts Staff, Finance Staff, Strategy Staff who have access to unpublished price sensitive information.

(iv) Un-published Price Sensitive Information (“UPSI”)

shall mean 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 include but not restricted to, information relating to the following;

- a) Financial Results;
- b) dividends;
- c) Change in capital structure;
- d) Mergers, De-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- e) Changes in Key Managerial Personnel;
- f) Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- g) Any other matter as may be prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or Corporate Law to be price sensitive, from time to time.

Note: Words and expressions used and not defined in this Policy but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of

India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and the Rules and Regulations made there under, shall have the meanings respectively assigned to them in those legislation.

4. CONSTITUTION OF ENQUIRY COMMITTEE:

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a Committee to be called as “Enquiry Committee”.

The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and any other officer of the Company. The Managing Director may change/alter/re-constitute the Enquiry Committee as may be required form time to time.

The Enquiry Committee w.e.f 1st April, 2019 shall be the following unless otherwise altered by the Managing Director:

Sr. No.	Name	Designation in Company	Designation in Enquiry Committee
1			Presiding Officer
2			Member
3			Member

5. DUTIES OF ENQUIRY COMMITTEE:

The Enquiry Committee shall be responsible;

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- (b) To authorize any person, if required, to collect necessary support material;
- (c) To consider the facts and circumstances and decide / direct on the matter;
- (d) To decide disciplinary action thereon;
- (e) To promptly inform the Stock Exchange(s) where the shares of the Company are listed and SEBI of leaks, inquiries and results of such inquiries.

6. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

On becoming aware sue moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated Person, Support Staff or any other known or un-know person, the below mentioned procedure shall be followed:

(a) To take Cognizance of the matter:

The Enquiry Committee shall meet within a period of 4 working days (Initial Meeting) after receipt of the information of actual or suspected leak of Unpublished Price Sensitive Information and take cognizance of the matter and decide as follows.

- i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
- ii) If it is found that the issue requires further investigation, Preliminary Enquiry may be initiated.

(b) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise which shall be conducted by the Chief Investor Relation Officer. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark any disciplinary action.

The Enquiry Committee may, if required and in addition to Chief Investor Relation Officer also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an preliminary enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

(c) Report of Preliminary Enquiry to the Enquiry Committee:

The Chief Investor Relation Officer or Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of Initial Meeting of the Enquiry Committee.

(d) Disciplinary Action:

The Enquiry Committee shall meet within a period of 4 working days (Final Meeting) after receipt of the report of Preliminary Enquiry. The Enquiry Committee shall consider the matter, facts, documentary evidence and shall decide / direct on the matter. The Disciplinary Action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Committee.

7. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES AND SEBI:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that details of such i) leaks, ii) inquiries and iii) results of such inquiries shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed and to SEBI in format as may be prescribed by SEBI or otherwise.

8. AMENDMENT OF THIS POLICY:

The Board of Directors of the Company, in sync with applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

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