

# MEHTA SECURITIES LIMITED

## CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION [Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Securities and Exchange Board of India (SEBI) had on January 15, 2015 notified SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. These regulations are further amended vide SEBI Notifications dated December 31, 2018 as SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and on January 21, 2019 as SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

In terms of the Regulations, it is mandatory for every listed Company to formulate a specific Code of Fair Disclosure of Unpublished Price Sensitive Information.

In order to comply with the requirement of the Regulations, the Company had formulated and adopted a specific Code of Fair Disclosure of Unpublished Price Sensitive Information.

This revised Code seeks to ensure timely, fair and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

### **DEFINITIONS:**

**“Compliance Officer”** for the purpose of this Code means the Company Secretary of the Company. In absence of the Company Secretary, the Board of Directors may authorized such other officer of the Company to discharge the duties of Compliance Officer under the regulations.

**“Chief Investor Relations Officer”** means the Compliance Officer of the Company.

**"Unpublished price sensitive information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which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.

## **CODE OF FAIR DISCLOSURE**

To achieve the objective of this Code, the Company will adhere to the following principles to ensure timely and adequate disclosure of price sensitive information with respect to it and its Securities which is likely to affect price of the securities:

1. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being, in order to make such information generally available.
2. The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary / Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide appropriate and fair response 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, if any, is not unpublished price sensitive information.
7. The Company shall develop and follow best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis.

**POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES FOR SHARING UPSI”**

**(Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018)**

SEBI vide its Notification dated December 31, 2018, mandated that the listed companies are required to modify their “Codes of Fair Disclosure and Conduct” formulated under regulation 8 to include therein a “Policy for determination of ‘legitimate purposes’”.

The Board of Directors of the Company shall formulate, approve and implement a policy for determination of “legitimate purposes for sharing UPSI” as a part of “Codes of Fair Disclosure and Conduct” which shall be in sync with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.”

The policy in briefly shall:

- Define legitimate purpose for which UPSI can be shared
- Process and mode of sharing the information
- Pre – requisites information / documents / undertakings required before sharing any UPSI.

The term “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 these regulations.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

**POLICY OF “PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI”**

The Company shall formulate written policies 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 accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

: 4:

## **IDENTIFICATION OF UPSI AND MAINTAINING ITS CONFIDENTIALITY**

All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of this Code and PIT regulations;

## **DIGITAL DATABASE OF PERSONS WITH WHOM UPSI IS SHARED**

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation 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 such as time stamping and audit trails to ensure non-tampering of the database.

## **PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS**

The Board of Directors of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partner(s), collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose.

Legitimate purpose shall include the following:

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the CIO of the Company.
- (v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

## **INTIMATION OF DUTIES AND RESPONSIBILITIES AND THE LIABILITY TO THE PERSON(S) WHO HAS/HAVE BEEN BROUGHT INSIDE' ON SENSITIVE TRANSACTION(S)**

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons for the following purposes:

- (i) To make to such person that the information shared is or would be confidential.
- (ii) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

## **INTERNAL CONTROL SYSTEM**

The Board of Directors shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and Prevention of Insider Trading Regulations to prevent insider trading.

## **REVIEW OF COMPLIANCES OF THE CODE AND VERIFICATION OF INTERNAL CONTROL SYSTEM**

The Audit Committee of the Company shall review compliance with the provisions of this Code and Prevention of Insider Trading Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

The Board is authorized to amend or modify this Code in whole or in part and may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

This Code shall be disclosed on the official website of the Company.

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.

: 6:

This Code has been adopted by the Board of Directors of Industrial Investment Trust Limited vide Resolution passed on March 18, 2019 and shall be deemed to have come in to force from April 01, 2019.

Subsequent modification(s) / amendment (s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

Place: Ahmedabad

Date: March 29, 2019