

# **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

## **INTRODUCTION**

Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, entails a feature of formulating a Code of practices and procedures for fair disclosure of Unpublished Price sensitive information and to set out principles in this regard. This provision intends to require every listed company to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992 which got amended from time to time. Lately SEBI, in order to further strengthen the Insider Trading norms and to curb the use of Unpublished Price Sensitive Information by the Insiders, has made substantial modifications in the existing Regulations vide its notification dated 21<sup>st</sup> January, 2019.

**In accordance with the Regulation 8 of the amended SEBI (Prohibition of Insider Trading) Regulations, 2015, Orient Bell Limited (hereafter called as the ‘Company’ has formulated Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (hereinafter called “Code”) in supersession of existing Code effective from 01<sup>st</sup> April, 2019.**

## **OBJECTIVE**

The objective of this Code is to disseminate and disclose the Unpublished price sensitive information promptly as and when it became due for dissemination or disclosure and to curb the practice of holding such information for personal gains or profits. The other objective is to ensure proper handling and recording and preservation of Unpublished Price Sensitive Information.

## **DEFINITIONS**

- (a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (b) “Board” means the Securities and Exchange Board of India;
- (c) “Chief Investor Relations Officer” means the Company Secretary and in his absence the Officer appointed by the Board of Directors of the Company for the purpose of this Code from time to time.

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

(d) "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 with the Company such as auditor, accountancy firm, law firm, analyst, consultant assisting or advising the Company etc. 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 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 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 recognised 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 a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

(e) "Designated Persons" shall mean and include:

- a Directors;
- b Promoters and the members of Promoter Group of the Company;

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

- c Chief Executive Officer and employees up to two levels below Chief Executive Officer of the Company;
  - d All the employees of the Company who are working in IT, Secretarial, Finance & Accounts Departments.
  - e All the employees of the Company who are designated as AGM or above and their Assistants;
- (f) "Immediate Relative" means a 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;
- (g) "Insider" means any person who is:
- i) a Connected Person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- (h) "Key Managerial Person" has the same meaning as defined under Companies Act, 2013.
- (i) "Regulations" means SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- (j) "Securities" means Shares, debentures or other marketable securities of the Company issued and / or to be issued from time to time and listed / to be listed on any recognized Stock Exchange.
- (k) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (l) "Unpublished Price Sensitive Information" 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 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 PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

## **RESPONSIBILITIES AND DUTIES OF THE CHIEF INVESTOR RELATIONS OFFICER (CIRO)**

The Chief Investor Relations Officer shall be responsible-

- i) for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information and the implementation of this Code under the overall supervision of the Board of Directors of the Company;
- ii) to maintain record of the occurrence and dissemination / disclosure of Unpublished Price Sensitive Information for a minimum period of five years;
- iii) to assist all the employees in addressing any clarifications regarding these Regulations and this Code;
- iv) to report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

## **PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- a) All the Insiders, Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall neither deal in the securities of the Company on the basis of Unpublished Price Sensitive Information nor pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- b) Unpublished Price Sensitive Information is to be handled on a “need to know” basis. No unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.
- c) It should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- d) There shall be limited access to confidential information and Unpublished Price Sensitive Information. Files containing the confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

- e) Unpublished Price Sensitive Information directly received by any Director / Officer / Designated Employee should immediately be reported to the Compliance Officer.

### **CHINESE WALL**

In general, Chinese Walls separate areas that have access to Unpublished Price Sensitive Information (“Insider Areas”) from those who do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to the passing of Unpublished Price Sensitive Information and Confidential Information. Chinese Walls are also designed as a means of managing Conflicts of Interest. Where Chinese Walls arrangements are in place, Designated Persons working within an Insider Area are prohibited from communicating any Confidential or Inside Information to those who operate in Public Areas.

Under this Code, Designated Persons within a Chinese Wall have a responsibility to ensure that the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.

In exceptional circumstances, Designated Persons from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, on executing non-disclosure agreement with the Company.

### **PRINCIPLES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

1. The Company shall promptly make 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 disseminate Unpublished Price Sensitive Information uniformly and universally to avoid selective disclosure.
3. Chief Investor Relations Officer shall deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
4. The Company shall promptly disseminate Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall ensure 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 is not Unpublished Price Sensitive Information.

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

7. The Company shall develop 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"**

#### **INTRODUCTION**

In line with clause 2A of Regulation 3 of the Regulations and any modification(s)/amendment(s) thereto, Policy for determination of legitimate purposes is as under:

1. "Legitimate purpose" shall mean sharing of Unpublished Price Sensitive Information in the course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
2. Any person in receipt of Unpublished Price Sensitive Information pursuant to a legitimate purpose shall be considered an "insider" for purposes of the Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him /her, in compliance with the Regulations.
3. Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion acquisition in the stake of other entities, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.
4. 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 secure such database. Documents containing confidential information shall be kept secured. Computer files must have adequate security login and password, etc.

# **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

## **POLICIES AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **Introduction**

This Policy is formulated as per the requirement of Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The newly inserted Regulation 9A(5) mandates formation of written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

### **Policies and Procedures**

As per the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the company all UPSI is dealt with confidentiality and all efforts are made to ensure that UPSI is not leaked out to any one including insiders without any legitimate purpose, until and unless it is made public.

### **Disclosure of actual or suspected leak of UPSI to Stock Exchanges:**

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CISO shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in “Annexure A” to this policy.

### **Report of actual or suspected leak of UPSI to SEBI:**

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CISO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in “Annexure B” to this policy.

### **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 Chief Executive Officer, Chief Financial Officer and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by Chief Executive Officer, Chief Financial Officer and Chief Investor Relation Officer of the Company.

### **Duties of Enquiry Committee:**

The Enquiry Committee shall be responsible to-

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

- (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; and
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.

### **Procedure for enquiry in case of leak of UPSI:**

On becoming aware of suo 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-known person, the CISO after informing the same to the Chief Executive Officer or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure-

**(a) Preliminary Enquiry:** Preliminary enquiry is a fact-finding exercise. 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 shall appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

**(b) Report of Preliminary Enquiry to the Enquiry Committee:** The 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 his appointment on this behalf.

**(c) Disciplinary Action:** The Disciplinary action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Committee.

### **PENALTY**

- a) Any Designated Person who trades in securities or communicates any information for trading in securities in contravention of this Code will be penalized and appropriate action will be taken against him / her by the Company after giving reasonable opportunity to explain his / her stand in the matter.
- b) In event of Contravention of this code of conduct, sanctions and disciplinary actions may be imposed including wage freeze, suspension, recovery, clawback or such other disciplinary action as suggested by the Board of Directors from time to time.



## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

- c) In addition to the aforesaid penalties / punishments, the persons violating the Regulations may also be subject to any other action by SEBI as per SEBI Act. The Company shall inform SEBI promptly in case of any violation of the Regulations.
- d) Under Regulation 11 of the Regulations, SEBI can issue directions through guidance notes or Circulars provided that where any direction is issued by the Board in a specific case relating to interpretation or application of any provision of these regulations, it shall be done only after affording a reasonable opportunity of being heard to the concerned persons and after recording reasons for the direction.

### **MISCELLANEOUS**

- i) The disclosures under this Code where required to be made to Stock Exchanges, may also be made through electronic filing in accordance with the system devised by the stock exchange.
- ii) Employees of the Company can report instances of leak of Unpublished Price Sensitive Information as per whistle blower policy of the Company.
- iii) The Board of Directors of the Company shall have power to modify or replace this Code in part or full as may be thought fit from time to time in their absolute discretion in accordance with law for the time being in force.
- iv) This Code has been approved by the Board of Directors of the Company on 15<sup>th</sup> May, 2015 and is effective from 15<sup>th</sup> May, 2015 and replaced by the new Code on 20<sup>th</sup> March, 2019 effective from 01<sup>st</sup> April, 2019.
- v) The decision of the Board of Directors with regard to all matters relating to this Code of Conduct will be final and binding on all concerned.
- vi) Words or phrases not defined here will have their respective meanings as per the SEBI Act and Regulations.

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

**Annexure A**

**Format for Intimation of Actual or Suspected leak of UPSI to the Stock Exchanges  
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation,  
2015.**

To,  
**BSE Limited**  
P. J. Towers, Dalal Street, Fort,  
Mumbai – 400 001

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051.

**Ref.:** BSE Scrip Code No. “530365”

**Ref.:**“ORIENTBELL”

Dear Sir / Madam,

**Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company.	Yes/No
If yes, narration of the same	

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully,

**For Orient Bell Limited**

**Company Secretary & Compliance Officer**

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION, 2020**

**Annexure B  
Format for Reporting Actual or Suspected leak of UPSI to the SEBI  
Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015**

To,  
**Securities and Exchange Board of India**  
Plot No. C 4-A, G Block,  
Near Bank of India, Bandra Kurla Complex,  
Bandra East, Mumbai – 400 051, Maharashtra

**Ref.:** BSE Scrip Code No. “530365”

**Ref.:**“ORIENTBELL”

Dear Sir / Madam,

**Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation. 2015.**

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company.  If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully,

**For Orient Bell Limited**

**Company Secretary & Compliance Officer**