

**POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

***OF***

***ZENLABS ETHICA LIMITED***

*[Under Regulation 9A of SEBI (Prohibition of Insider Trading)  
(Amendment) Regulations, 2018]*

## INTRODUCTION

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of **Zenlabs Ethica Limited** has laid down the policy and procedure of inquiry in case of leak of Unpublished Price Sensitive Information ('policy'), for adoption.

## APPLICABILITY

This policy is applicable on all Designated Persons of the Company and their immediate relatives who have access to or could have access to unpublished price sensitive information about the Company. This policy shall be effective from 01.04.2019.

## DEFINITIONS

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| (a) | <b>"Act"</b>                             | means the Securities and Exchange Board of India (SEBI) Act, 1992 (15 of 1992)  |
| (b) | <b>"Board"</b>                           | means Board of Directors of the Company.  |
| (d) | <b>"Company"</b>                         | "This Company" or "The Company", wherever occur in this policy shall mean "Zenlabs Ethica Limited".   |
| (e) | <b>"Compliance Officer"</b>              | means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company;   |
| (g) | <b>"Designated Persons"</b>              | (i) All Directors;<br>(ii) Key Managerial Personnel (KMP's) as per Companies Act, 2013<br>(iii) All employees of General Manager cadre and above.<br>(iv) Promoters/Promoter Group of the Company;<br>(v) All employee working in the finance, accounts, secretarial and legal department<br>(vi) Persons in contractual, fiduciary or advisory relationship with the Company i.e. consultants, retainers, auditors, law firms, analysts etc.<br>(vii) Such Employees/Other persons as designated by the Board of Directors in consultation with Compliance Officer of the Company, from time to time; and<br>(viii) Immediate relatives of persons covered under clause (i) to (vii) above |
| (h) | <b>"Director"</b>                        | means a member of the Board of Directors of the Company.  |
| (j) | <b>"Generally Available Information"</b> | means information that is accessible to the public on a non-discriminatory basis, such as information published on websites   |

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|     |  | of stock exchanges.  |
| (k) | <b>“Immediate Relative”</b>                              | means the spouse of the Designated Person, and includes parent, sibling and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.   |
|     | <b>“Unpublished Price Sensitive Information (“UPSI”)</b> | 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 Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:<br>(i) financial results;<br>(ii) dividends;<br>(iii) change in capital structure<br>(iv) mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;<br>(v) changes in Key Managerial Personnel; |

## INTERPRETATION

Capitalized terms and other terms used but not specifically defined herein shall have the same meaning as assigned thereto in the SEBI Insider Regulations, 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 there under or any other applicable laws or regulations, including the amendments thereon, as the case may be.

## OBJECTIVES

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- (iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate.
- (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (“SEBI”) promptly.
- (v) To take disciplinary actions, if deemed fit against any Insider, Designated Persons, Connected Persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Designated Persons, Connected Persons.

## SCOPE

To preserve the confidentiality of UPSI and to prevent misuse of such information. 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, with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company. To lay procedures for inquiry in case 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.

## **COMPLIANCE OFFICER, CHIEF INVESTOR RELATIONS OFFICER AND THEIR DUTIES:**

The Company Secretary shall hold the position of the Compliance Officer so long as he/she remains the Company Secretary. The Board of Director of the company can also designate another person/Director to act as Compliance officer in addition to the company Secretary. The Chief Investor Relations Officer (CIO) shall mean any person designated by the Board to be CIO of the Company.

The Compliance Officer and CIO shall be responsible to:

- (i) Oversee the Compliance of this policy.
- (ii) Report the incident of actual or suspected leak of UPSI to SEBI.
- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) To disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Audit Committee of the Company.

## **INTIMATION OF ACTUAL OF SUSPECTED LEAK OF UPSI AND PROCESS OF INQUIRY**

Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government.

The complainant shall inter alia state particulars and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.

The Complaint may be addressed to the Company or Board or Audit Committee of the Company.

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance officer or the CIO shall ensure that the same is promptly intimated to the Audit Committee and the committee shall consider the matter and put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the company, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any other statutory enactments, as applicable.

The Company suo moto reserves the right of initiating an inquiry under this policy against any designated person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.

This policy shall not in any way forbid any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Vigil Mechanism Policy of the Company.

## **AMENDMENTS/REVISIONS**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy