

# **CORAL LABORATORIES LIMITED**

## **POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI") OR SUSPECTED LEAK OF UPSI**

*[Under Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015]*

*This Policy shall come into effect from April 1, 2019*

## **1. BACKGROUND**

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2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) and initiate appropriate inquiries on becoming aware of leak of UPSI and inform the Board of Directors promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of the Company have adopted down this policy for procedure of inquiry in case of leak of UPSI ('the policy').

## **2. 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, Employees and Designated Persons with any other 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 promptly to the Securities and Exchange Board of India ("SEBI")/ stock exchanges where the shares of the Company are listed.
- (v) To penalize any Insider, Employees and Designated Persons who appears to have found guilty of violating this policy.

## **3. SCOPE**

The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the Company by any promoter, director, key managerial personnel, Insider, employee, designated person, support staff or any other known or unknown person(s) 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.

#### **4. DEFINITIONS**

(i) Chief Investor Relation Officer (“CIRO”) shall mean the Compliance Officer or such other senior official nominated as such by the Board of Directors of the Company from time to time shall be Chief Investor Relation Officer of the Company. The Compliance Officer of the Company is designated as the Chief Investor Relation Officer for the purpose of this Policy.

(ii) Leak of UPSI shall mean communication of information 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 after following the due process prescribed in this behalf in the Code of Practices 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, which is / shall be UPSI.

(iii) Support Staff shall include Finance staff or secretarial staff or any other staff of the Company who have access to UPSI.

(iv) UPSI Means any information, relating to the Company or its securities, directly or indirectly, that is not generally available and which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily, be the information, including but not restricted to, the following:

- (a) Financial results;
- (b) Dividends;
- (c) Changes in capital structure;
- (d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and
- (e) Changes in Key Managerial Personnel.

#### **5. DUTIES OF CHIEF INVESTOR RELATIONS OFFICER**

The CIRO shall be responsible to;

- (i) Oversee the Compliance of this Policy.
- (ii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Board of Directors/ Audit Committee or Enquiry committee, to be constituted, if required.

#### **6. DISCLOSURE OF ACTUAL OF SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:**

On becoming aware of actual or suspected leak of UPSI of the Company, the CIRO shall ensure that the same shall be promptly intimated to the SEBI/Stock Exchanges on which the securities of the Company are listed.

#### **7. REPORT OF ACTUAL OF SUSPECTED LEAK OF UPSI TO SEBI**

On becoming aware of actual or suspected leak of UPSI of the Company, the CIRO shall ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI/ Stock Exchanges on which the securities of the Company are listed.

## **8. CONSTITUTION OF ENQUIRY COMMITTEE**

As and when required, 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 as may be mutually decided by the members of the Committee.

## **9. 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 to collect necessary support material; and
- (c) To decide disciplinary action thereon.

## **10. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:**

On becoming aware of *suo motu* or otherwise, of actual or suspected leak of UPSI of the Company by any promoter, director, key managerial person, Insider, employee, designated personnel, support staff or any other known or unknown person, the CISO after informing the same to the Managing Director 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 on 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 shall submit his report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

However, the period of 7 days can be extended by the Committee, if deemed necessary.

### **(c) Disciplinary Action:**

The Disciplinary action(s) shall include salary / wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Committee. Also, any profit, directly or indirectly earned through leak of UPSI shall be returned back to the Company. Any support staff, Insider, designated person, their immediate relative or any other person who have UPSI available with him and who leaks such UPSI, on account of which the Company suffer any losses, then, such support staff, insider, designated person, their immediate relative or any other person having access to UPSI, as the case may be, shall indemnify the Company for such losses.

## **11. AMENDMENT**

The Board of Directors of the Company, subject to applicable laws, rules and 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.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment or re- enactment thereto.

## **12. INTERPRETATION:**

- (a) The CISO shall be consulted on the matters of interpretation of any of the provisions of this Code. The CISO shall have a right to consult an expert for seeking clarification on any of the provisions of the Regulations or this Code.
- (b) Any reference in this Code to male gender shall be construed to include female and neuter gender.
- (c) Words and expressions used and not defined in this Code but defined in 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 rules and regulations made thereunder shall have the meanings respectively assigned to them in those regulations.
- (d) The words defined in the Code have been capitalized.
- (e) In case if any of the provisions of this Code are found to be not in conformity with the provisions of the Regulations or any law or rules and regulations framed under any law (hereinafter referred to as the provision of law) then the provision of law shall prevail over such provision of the Code. In such a case, the other provisions of this Code which are not inconsistent with the provision of the law shall continue to apply.

## **13. APPROVED AND ADOPTED**

This Policy has been approved and adopted by the Board of Directors of the Company on Tuesday, February 05, 2019.