



HUSYS CONSULTING LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

[Framed under Regulation 8 (1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

1. BACKGROUND

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), as amended vide SEBI (Prohibition of Insider Trading) (Amendment), Regulations, 2018, mandates 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.

In this regard, the Board of Directors of Husys Consulting Limited (HUSYSLTD) has laid down this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the Code) for adoption which shall be effective from 1st April 2019.

2. OBJECTIVE

The Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company’s securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

3. SCOPE

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

4. DEFINITIONS

- 4.1 “Legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers,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 prohibition of these regulations;

“Need to Know” basis means that unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such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 any conflict of interest or appearance of misuse of information;

4.2 “Unpublished price sensitive information” (UPSI) means any information, relating to the Company or its securities, directly or indirectly, that is not generally available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, delisting’s, disposals and expansion of business and such other transactions;
- (v.) changes in key managerial personnel;
- (vi.) Such other information, as the Managing Director/Whole-Time Director/ Compliance Officer / CFO may prescribe 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), the Rules & Regulations made there under and the Company’s Code of Conduct for Prevention of Insider Trading shall have the meanings respectively assigned to them in those legislation/code.

5. PRINCIPLES OF FAIR DISCLOSURE

The Company shall adhere to the following principles to ensure timely and fair disclosure of Unpublished Price Sensitive Information:

- a. Prompt public disclosure of unpublished price sensitive information that would impact price discovery, as soon as it has credible and concrete information, in order to make such information generally available.
- b. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- c. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

- d. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information. The Company shall be careful while answering to the queries of analysts. Unanticipated questions shall be taken on notice and a considered response shall be given later.
- e. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website to ensure official confirmation and documentation of disclosures made.
- f. Handling of all unpublished price sensitive information on a need-to-know basis. Unpublished price sensitive information shall be disclosed to Company officials only after a proper clarification is sought as to the purpose for which the information is needed.

6. CHIEF INVESTOR RELATIONS OFFICER ("CIO") TO OVERSEE AND COORDINATE DISCLOSURES:

- a. The Company secretary of the Company shall act as Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosures of unpublished price sensitive information in relation to the Company. In the absence of Company Secretary, the Board of Directors may authorise either Chief Financial Officer (CFO) or such other officer of company to discharge the duties of the Compliance officer under the regulations.
- b. The Company secretary is also responsible for ensuring compliance under this code, overseeing and coordinating disclosure of UPSI to stock exchanges, shareholders, analysts and media and for educating HCL staff on disclosure policies and procedure.
- c. All UPSI is to be handled on "need to know basis", i.e. UPSI should be disclosed only to those within HCL who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the Compliance Officer.

7. POLICY ON DETERMINATION OF LEGITIMATE PURPOSE

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons etc. during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such person's trade on the basis of unpublished price sensitive information ('UPSI'), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by and subject to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and the Company's Code of Conduct for Prevention of Insider Trading.

This “Policy on Determination of Legitimate Purpose” (‘Policy’) is framed by the Board of Directors of the Company pursuant to the amendment in the PIT Regulations, in 2018 and is part of “Company’s Code of Conduct for Fair Disclosure of UPSI”.

8. DISCLOSURE WITH REFERENCE TO ANALYSTS/ MEDIA

- (i.) All UPSI shall be first communicated to the stock exchanges before the same is shared with Analyst and Research personnel.
- (ii.) Transcript of the meetings / con calls with Analysts shall be furnished to the stock exchanges and then posted on the Company’s website.

9. RESPONDING TO MARKET RUMORS

The Compliance Officer or any other official(s) (“spokesperson”) authorized by the Board of Directors of the Company shall give an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and making disclosures.

10. SHARING OF UPSI FOR LEGITIMATE PURPOSE

The UPSI shall be shared by any person(s) authorized by the Board of Directors, Managing/Whole-time Director or CIO of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;

- a. Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants;
- b. Sharing of UPSI with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
- c. Sharing the relevant UPSI with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender; Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- d. Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
- e. Sharing of UPSI for discharge of legal obligation(s);

- f. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CIO of the Company;
- g. Sharing of UPSI 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;

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of the Code and shall comply with the Code.

However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

11. PROCESS FOR SHARING UPSI

The insider shall conduct the following steps while sharing UPSI:

- a. Satisfy that information is UPSI and sharing is for legitimate purpose
- b. Identify the persons with whom the information is to be shared
- c. Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- d. Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
- e. Maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

The internal controls shall include the following:

- All the employees who have access to UPSI are identified as designated employees;
- All the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the regulations.
- Adequate restrictions shall be placed on communication or procurement of UPSI as required by the regulation.

- List of all employees and other persons with whom UPSI is shared shall be maintained a confidentiality agreement shall be signed or notice shall be served to all such employees and persons;
 - All other relevant requirements specified under the regulation shall be complied with;
 - Periodic process review to evaluate effectiveness of such internal controls.
- f. The audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for the internal control are adequate and are operating effectively.

12. DIGITAL DATABASE OF RECIPIENT OF UPSI

The CIO shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared under this Code, which shall contain the following information;

- a. Name of such recipient of UPSI;
- b. Name of the Organization or entity whom the recipient represents
- c. Postal Address and E-mail ID of such recipient
- d. Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The CIO shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trials to ensure non-tampering of such database.

13. AMENDMENT

- a. The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code with a new Code.
- b. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code.
- c. The Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges.