



## **CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED**

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# **POLICIES AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

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**[Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015]**

*[This Policy shall be applicable with effect from April 1, 2019]*

**1. Background**

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ("SEBI PIT Regulations") mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

**2. Definitions**

The definitions of some of the key terms used in the Policy are given below. Words used and not defined herein shall have the meaning assigned to them under the company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Insiders /SEBI PIT Regulations/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") Clause 49 of Listing Agreement

**"Leak of UPSI"** refers to:

i. communication of information which is/deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations and

ii. such act / circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

**"Suspect"** means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

**"Unpublished Price Sensitive Information (UPSI)"** 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.
- (vi) such other information as determined by the Board of Directors/Chief Executive Officer/Whole – time Director from time to time.

### **3. Procedure for inquiry in case of Leak or suspected Leak of USPI**

i. Inquiry under this policy shall commence based on written complaint received from any employees of the company, department of the company, SEBI, registrar and share transfer agent, designated person, depository, stock exchange, regional director, registrar of companies or any official thereof, any other regulatory and statutory authority or any other department of central or state government or any other person aware of leak or suspected leak of USPI.

ii. The complaint shall inter alia state particulars of the complaine (i.e., against whom the complaint is made) 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.

iii. The complaint shall be addressed to the Chairman of the Audit Committee or Chairman/CEO or Whole – time Director or Compliance Officer of the Company, by whatever name called (hereinafter referred to as the “officer”).

vi. Within 5 (five) working days of receipt of the complaint or on becoming aware suo moto of leak or suspected leak of USPI, officer shall write to the complaine intimating the details of the complaint and requesting him to give a written representation within 7 (seven) working days of receipt of letter.

vii. Within 7 (seven) working days of receipt of representation, officer shall proceed to investigate the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During the course of investigation, he may call for such additional documents, representations, etc. as he may deem fit. The said preliminary investigation/inquiry shall be completed within 7 working days. If initial enquiries indicate that the concern has no basis, or it is not a matter of investigation pursued under this Policy, or if it is felt that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company, then the complaint may be dismissed at this stage with reasons recorded in writing.

viii. If no representation is received within the aforesaid stipulated time, officer shall issue notice to the complaineo asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.

ix. Where on completion of the initial enquiries under point vii, receipt of receipt of reply to the show cause notice issued under point viii or on non-receipt thereof, it is indicated that further investigation is necessary, the same shall be submitted Inquiry Committee which consists of the following members:

- a. Whole – time Director,
- b. Chief Financial Officer,
- c. Compliance Officer
- d. Head- Investor Relations &
- e. Head - IT.

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand

x. Upon receipt of the report of the inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 21 working days from the date of receipt of report under clause ix from officer. The Inquiry Committee's investigation report along with its recommendation shall be submitted to the Audit Committee through compliance officer immediately and summary report shall be submitted to the Board.

x. The Audit Committee, if forms an opinion that the complaineo is guilty 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.

xi. The Officer, as the case may be, may at his discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation (herein after referred to as the "investigators"). Investigator(s) shall derive their authority from the officer or, as the case may be, when acting within the course and scope of investigation.

xii. The relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.

xii. Anonymous / Pseudonymous disclosure shall not be entertained. In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.

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

#### **4. Powers of the inquiry Committee:**

For purpose of conducting inquiry, the Inquiry Committee may at its discretion:

i. call upon

- such employees/individuals to seek clarification or information pertaining to the leak.
- persons involved in the consolidation of the figures for the financial results.
- persons involved in dissemination of information relating to financial results in the public domain.
- any other persons who had access to the information.
- any market intermediaries, fiduciaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.

ii. take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.

iii. do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

iv. invite external investigators/experts

#### **5. Disciplinary Action:**

i. The disciplinary action against Suspect may be taken within 15 working days from receipt of Inquiry Committee's investigation report and recommendation by the Audit Committee.

ii. The disciplinary action may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.

#### **6. Other Conditions**

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

ii. 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.