



**POLICY AND PROCEDURE OF INQUIRY IN
CASE OF LEAK/SUSPECTED LEAK OF
UNPUBLISHED PRICE SENSITIVE
INFORMATION (“UPSI”)**

Version 1.0

L&T TECHNOLOGY SERVICES LIMITED



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L&T TECHNOLOGY SERVICES LIMITED

POLICY AND PROCEDURE OF INQUIRY IN CASE OF LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

1. Introduction:

On December 31, 2018, SEBI has amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) to be effective from April 1, 2019 based on the recommendations of the T.K Viswanathan Committee. This emanated in the backdrop of Unpublished Price Sensitive Information (‘UPSI’) that was leaked through social media platforms which violated the rules of parity of information. In the above cases, the source of leakage could not be identified.

Regulation 9A requires every listed company to formulate written policies and procedures in case of leakage of UPSI or suspected leak of UPSI which shall be approved by the Board of Directors and accordingly initiate appropriate inquiry on becoming aware of leak of UPSI and inform the Board of Directors promptly of such leak, inquires and results of such inquires.

In this regard, Board of Directors of L&T Technology Services Limited (“LTTS/the Company”) has approved this policy and procedure of inquiry in case of leak or suspected leak of UPSI (‘the policy’) on March 29,2019.

Importance of preserving UPSI:

Preserving leakage of UPSI is important for achieving the following objectives:

- a. Protecting market integrity and interest of investors from market abuse
- b. Ensuring fair market conduct in dealing of securities of the Company
- c. Preventing select individuals from being in an advantageous position over others

2. Scope and Objective:

This policy aims at sensitising all employees with respect to the importance of preserving and preventing the misuse of UPSI. The Company has always taken prevention of Insider Trading seriously and has from time to time educated and reprimanded employees participating in trading based on inside information. A Committee comprising of the COO & Whole-Time Director, Company Secretary &



Compliance Officer and Chief Human Resource officer regularly reviews the compliance under the SEBI PIT Regulations and enforces monetary penalties on employees who miss the compliance. The Audit Committee is regularly updated on the actions taken by the Company.

With a view to further strengthening the aforesaid objectives, this policy aims at:

- (a) Protecting leakage of confidential and market sensitive information
- (b) Creating awareness amongst employees to maintain confidentiality of UPSI
- (c) Laying down a structured guideline and process for investigation of leaks / suspected leak of UPSI
- (d) Restricting sharing of UPSI except for legitimate purposes as stipulated in the Securities Dealing Code
- (e) Penalising employees found guilty of leaking UPSI

3. Definitions:

'Company' means L&T Technology Services Limited.

'Leak of UPSI' shall mean communication of UPSI to any purpose other than legitimate purpose.

'Legitimate Purpose' means:

- i. Sharing of information in the ordinary course of business with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants on a need to know basis
- ii. Sharing of information for execution of specific projects/deals
- iii. Sharing of Information in accordance with the Company's communication and disclosure policy
- iv. Sharing of Information for market sounding purposes through intermediaries / fiduciaries to obtain feedback from potential or existing investors about a transaction involving the Company
- v. Sharing of information mandatory for performance of duties or discharge of legal obligations;
- vi. Sharing of Information for any other genuine or reasonable purpose as may be determined by the CIRO

'Un-published Price Sensitive Information ("UPSI")' shall mean 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;

- a) financial results ;
- b) dividends (Interim and Final);
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, de-listings, disposals, and expansion of business and such other transactions;
- e) changes in key managerial personnel;

4. Occurrences of Leakage of Information

In the ordinary course of business, it is required to share information, however the information shall only be shared on need to know basis. In some instances, confidentiality is likely to be compromised which results in leakage of information

- (a) Sharing of information using unsecured tools
- (b) Stealing of company information
- (c) Sending information accidentally to wrong recipients
- (d) Sending Confidential Information for alterations to unauthorised persons
- (e) Becoming victim phishing emails
- (f) Informal conversations with friends in public / private places
- (g) Use of social media platforms
- (h) Loss of paperwork relating to UPSI
- (i) Sharing of information before sharing it with the exchanges

It would be pertinent to note that sharing of information in the normal course of business for legitimate purposes in accordance with the Code of Fair Practices Disclosure the Company by giving proper notice or signing a non-disclosure agreement with the person receiving it and explaining the recipient about his duties and obligations with respect to maintaining the confidentiality of information shared does not amount to leak of UPSI.

5. Enquiry Committee:

A. Structure of the Committee:

A committee, Information Leakage Investigation Committee ('ILIC'), comprising of the Chief Financial Officer, Chief Human Resource officer and



Company Secretary shall be constituted to deal with complaints pertaining to leakage of UPSI.

B. Duties of the Committee

- (a) Receiving and acknowledging complaints of leakage of UPSI
- (b) Sorting / screening / shortlisting such complaint
- (c) Initiating a *suo moto* inquiry
- (d) Collection of necessary support material
- (e) To obtain all relevant information from any person
- (f) Investigation through appropriate delegation / agencies / external parties
- (g) Recommend penalties/action to the Management
- (h) Advising the Management about making the information, that has leaked, to be made public in certain circumstances
- (i) Any other responsibility as decided by the Management

The decision of the Committee pursuant to a receipt of complaint or a *suo moto* inquiry shall be final.

C. Meetings and Records:

The ILIC will maintain records of the Meetings held viz. the Agenda, the Minutes etc The Secretarial Assistance will be provided by the Secretarial Department.

6.Procedure

A. Initial Stage:

- (a) The ILIC may initiate a *suo moto* inquiry on its knowledge or on the receipt of a complaint from any person in writing or through Ethics Line.
- (b) The complaint can be sent to following address, briefly the facts of the case / the transaction pertaining to which the information is leaked (to the extent possible), name and identity of the person, if available, who has leaked the information

Ethics Line
Ethics Line, Alpha, 2nd Floor, Unit 201, Hiranandani
Gardens,
Powai, MUMBAI 400 076, INDIA
Call toll-free: 1800-2000-411



Web reporting: <https://secure.integritymatters.in>

Email: Report@integritymatters.in

Facsimile: (+91) 9699995411

- (c) Upon receipt of the complaint, the ILIC shall initiate a preliminary inquiry as a fact-finding exercise to identify the truth in the allegations made and collect necessary available material in support of the allegations. The ILIC shall / may appoint / authorise any persons as it may deem fit to initiate / conduct inquiry / forensics to collect relevant facts, material substances as actual or suspected leak of UPSI.
- (d) ILIC will check and validate through appropriate mechanisms, whether the internal controls laid for this policy are functioning well.
- (e) ILIC is not bound to take cognizance of anonymous letters. Such communications will be dealt with appropriately by the Company.
- (f) ILIC shall issue directions to the concerned department / individuals to co-operate and provide all relevant information / documents as required by the person appointed to conduct an inquiry for the purpose of submitting his report to the ILIC.

B. Report Stage:

- (a) The person appointed / authorised to conduct an initial inquiry shall submit his report within a period of 7 days from the date of appointment along with all supporting documents / material facts in respect of the complaint received. The ILIC may on the request of the investigator extend this period by an appropriate period as warranted by the situation considering the complexity that may be involved citing the nature of the complaint.
- (b) In cases where the ILIC is of the opinion that the leakage of UPSI may invite attention of regulatory authorities like the Stock Exchanges, Securities and Exchange Board of India and other regulators, it may appoint legal advisors to be a part of the investigation exercise.
- (c) The ILIC may also recommend to the Management that the leaked information be made public, considering the nature and importance of the information leaked and the impact that it may have on the reputation of the Company, investor interest and stock price.

C. Action Stage:

On the basis of the report submitted by the person appointed to conduct an inquiry, if any person is found guilty of leaking UPSI, the



ILIC shall deliberate as to the next course of action which may include any one or more of the following actions:

- (a) Levy of Penalty
- (b) Suspension from Work
- (c) Termination of Employment
- (d) Freezing of Salary and other employee benefits
- (e) Claw Back of monetary benefits received on account of such leak
- (f) Legal Recourse as the ILIC may deem fit
- (g) Recovery of legal and other investigation related expenses

All complaints received by the ILIC shall be reported to the Audit Committee / Board of Directors of the Company including actions taken on the basis of the reports received by the ILIC.

All actions taken will also be reported to the Securities and Exchange Board of India for the purpose of their records.

D. Depositing of Penalties:

Penalties levied and collected under this Policy will be credited to the Investor Protection and Education Fund of the Securities and Exchange Board of India.

7.Amendment:

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.