



Vertoz Advertising Limited
(Formerly Known as Vertoz Media Pvt. Ltd.
& Vertoz Media Ltd.)
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29th March, 2019

The Manager – Listing Department,
National Stock Exchange of India Limited,
“Exchange Plaza”, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

Scrip Code: VERTOZ

Dear Sir/Madam,

Sub: Amended Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company.

Ref: Regulation 8(2) of the SEBI Prevention of Insider Trading (PIT) Regulations, 2015

With reference to the captioned subject matter and pursuant to 8(2) of the SEBI PIT Regulations, 2015, please find enclosed the Amended Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, adopted by the Company.

Kindly take the above said information on record as per the requirement of SEBI PIT Regulations, 2015.

This Intimation shall also be uploaded on the Company's website at <https://www.vertoz.com/investors>

**Yours Faithfully,
For Vertoz Advertising Limited
By Order of Board of Directors**

**Sumit R. Sharma
Company Secretary & Compliance Officer**



Encl: - As above



VERTOZ ADVERTISING LIMITED

**CODE OF CONDUCT FOR
PREVENTION OF INSIDER TRADING
AND**

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**



Securities and Exchange Board of India (hereinafter referred to as "SEBI") has introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Prohibition of Insider Trading Amendment Regulations, 2018 for prevention of insider trading activities replacing erstwhile SEBI (Prohibition of Insider Trading) Regulation, 1992.

The objective of the Regulations is to prevent Insider Trading by prohibiting trading, communicating, counselling or procuring Unpublished Price Sensitive Information. Insider Trading is an unethical practice resorted to by those in power and privy to certain unpublished price sensitive information relating to a company to profit at the expense of the general investors who do not have access to such information.

Vertoz Advertising Limited (CIN: - L74120MH2012PLC226823) (hereinafter referred to as the "Company") has framed "THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING" (hereinafter referred to as Code) which is binding on the Designated Persons during the course of performance of their duties. This Code is in line with the policy of the Company to implement and practice the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability, consistently being followed by the Company in all its business practices and dealings. The Company recognizes that strict observance of the Code is a basic pre-requisite for ensuring full confidentiality of all "Unpublished Price Sensitive Information" and to build general investor confidence and stakeholder credibility. Unless otherwise stated, this policy applies to the employees/designated persons of all the subsidiaries, joint ventures and associates (whether in or outside of India) of the Company (collectively or individually hereinafter referred to as the "Group").

Further, the Company has adopted the "CODE FOR CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING" to ensure timely and adequate disclosure of Price Sensitive Information with special reference to analysts, institutional investors etc.

"THE POLICY AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING" and the "CODE FOR CORPORATE DISCLOSURE PRACTICES" are hereinafter referred to as the **Code of Conduct**.

The Code of Conduct will be effective from 01st day of April, 2019.

The Code of Conduct shall also be uploaded on the website of the Company at <https://www.vertoz.com/investors>

The following terms and phrases as used anywhere in this Code of Conduct shall be interpreted to convey the meaning ascribed to them hereunder:

1. **Applicability:**

The Code is applicable to the designated persons and immediate relatives of designated persons of the group as defined in the code from time to time.

2. **Audit Committee**

Audit Committee means Audit Committee of the Board constituted under the Companies Act, 2013.

3. **Board of Directors:**

"Board" or "Board of Directors" means the Board of Directors of the Company including any committee of the Board

4. **Company:**

"Company" means Vertoz Advertising Limited

5. **Compliance Officer**

"Compliance Officer" means the Company Secretary of Vertoz Advertising Limited.



6. Connected Person

"Connected Person," includes –

- i. A Director of the Company;
- ii. A Key Managerial Personnel of the Company;
- iii. An Officer of the Company;
- iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, (x) allowed access to Unpublished Price Sensitive Information (UPSI) or (y) reasonably expected to be allowed access to Unpublished Price Sensitive Information (UPSI)
- v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, (x) allowed access to Unpublished Price Sensitive Information (UPSI) or (y) reasonably expected to be allowed access to Unpublished Price Sensitive Information (UPSI);
- vi. An employee of the Company who has access to Unpublished Price Sensitive Information (UPSI) or is reasonably expected to have access to Unpublished Price Sensitive Information (UPSI);
- vii. Any person who has a professional or business relationship and that relationship, directly or indirectly, (x) allows access to UPSI or (y) is reasonably expected to allow access to UPSI;
- viii. Any person classified as a "Designated Person" defined as below:
 - a. Promoters of Vertoz Advertising Limited;
 - b. Directors/ Observers/ Employees of Vertoz Advertising Limited and its subsidiaries and associates;
 - c. All employees of the Group who are in the cadre of Manager and above;
 - d. All employees of the group in the Finance and accounts / Corporate Secretarial/ Communications department across the Group.
 - e. the executive/personal secretarial staff of the Chairman, CFO, CEO & Managing Director or head of Administration Staff.
 - f. Any other Connected Person designated by the Board members/Compliance Officer on the basis of their functional role in the organisation.
 - g. Persons (including representatives of the auditors, accountancy firms, analysts, consultants, Market Maker etc.,) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code.
 - h. Chief Executive Officer and employees upto two levels below Chief Executive Officer of the company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
 - i. Any support staff of the company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information."
 - j. Immediate relatives of 'a' to 'i' above.

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI

- a. Immediate relative of Connected Persons;
- b. A Holding Company or Associate Company or Subsidiary Company;
- c. An Intermediary as specified in section 12 of the SEBI Act;
- d. An Investment Company, Trustee Company, Asset Management Company or an Employee or Director thereof;
- e. An Official of a Stock Exchange or of Clearing House or Corporation;
- f. A Member of Board of Trustees of a Mutual Fund or a Member of the Board of Directors of the Asset Management Company of a Mutual Fund or is an Employee thereof;





- g. A Member of the Board of Directors or an Employee, of a Public Financial Institution as defined in section 2 (72) of the Companies Act, 2013;
- h. An Official or an Employee of a self-regulatory organization recognised or authorized by the SEBI;
- i. A Banker of the Company;
- j. A Concern, Firm, Trust, Hindu Undivided Family, Company or Association of Persons wherein a Director of the Company or his Immediate Relative or Banker of the Company, has more than 10% of the holding or interest.

7. Contra Trade

"Contra Trade" means a trade or transaction which involves buying or selling any number of Shares of the Company and within 6 months trading or transacting in an opposite transaction involving sell or buy following the prior transaction."

8. Director

"Director" means a Director appointed to the Board of a Company.

9. Group means Vertoz Advertising Limited, its subsidiaries and associates Companies.

10. Immediate Relative

"Immediate Relative" of a person means a spouse, and includes parent, sibling and child of that person or his or her spouse, if they are either dependent financially on such person or consult such person in taking decisions relating to Trading in securities.

11. Insider

An insider means any person who is:

- (i) a Connected Person or
- (ii) In possession of or having access to Unpublished Price Sensitive Information.

12. Key Managerial Personnel

"Key Managerial Personnel" in relation to a company, means-

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Whole-time director;
- iii. the Chief Financial Officer;
- iv. the Company Secretary and
- v. Such other officer as may be prescribed by the Companies Act 2013.

13. "Material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions

14. Officer

"Officer" includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act;

15. Securities



"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund, which as follows:

"Securities" include—

- i. Shares, Scrips, Stocks, Bonds, Debentures, Debenture Stock or other marketable securities of a like nature in or of any incorporated Company or other Body Corporate
 - a) Derivatives;
 - b) Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
 - c) Units or any other such instrument issued to the investors under any mutual fund scheme
- ii. Government Securities; Such other instruments as may be declared by the Central Government to be Securities; and
- iii. Rights or Interest in Securities;

16. Trading

"Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities, and "trade" shall be construed accordingly.

Words and expressions used and not defined in the Code of Conduct but defined in the Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations 2015, the Securities Contracts (Regulation) Act,1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

17. Unpublished Price Sensitive Information ("UPSI")

Unpublished Price Sensitive Information ("UPSI") means any information, which relates directly or indirectly, to the Company or its securities, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company.

"Generally available" information means information that is accessible to the public on a non-discriminatory basis.

UPSI includes, without limitation, information relating to the following:

- i. Consolidated or standalone quarterly/half yearly/ annual audited or unaudited financial results, financial condition, projections or forecasts of the Company or Group Companies;
- ii. Dividends (both interim and final);
- iii. Change in capital structure not limited to following;
 - a) Issue of any class of Securities.
 - b) Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off of setting divisions of the Company, etc.
 - c) Change in market lot of the Company's Shares, sub-division of Equity Shares of the Company.
 - d) Voluntary delisting by the Company from the Stock Exchange(s).
 - e) Forfeiture of Shares.
 - f) Any action which will result in alteration in the terms regarding redemption/cancellation/retirement in whole or in part of any Securities issued by the Company.
 - g) Information regarding opening, closing of status of ADR, GDR or any other class of securities to be issued abroad.
 - h) Cancellation of dividend/rights/bonus, etc.
- iv. Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. Changes in the Key Managerial Personnel; and
- vi. **The following Material events**



- a) Receipt of any regulatory approval from subsidiaries established in foreign countries.
 - b) Developments with respect to pricing/realisation arising out of change in the regulatory framework.
 - c) Any regulatory development/ action (positive or negative) that can have material impact on future operations and financials of the Company or the Group including its ability to continue to perform its normal business operations.
 - d) Revision in credit ratings, if any.
 - e) Any other information having/ bearing on the financials/operation/performance of the Company or the Group.
 - f) Receipt of any big contracts or assignments with the expected annual turnover of Rs 1 crore or more.
- vii. The following financial transactions having financial impact of Rs 1 crore in revenue or Rs 1 crore in profits:
- a. Changes in the general character or nature of business including entering into new lines of business/ development of new products
 - b. Disruption of operations due to natural calamity or some other reason
 - c. Business transactions including, entering into or terminating service/contract agreements.
 - d. Litigation /dispute with a material impact.

DUTIES OF THE COMPLIANCE OFFICER

The Compliance Officer shall be responsible for:

- i. Setting forth policies in relation to the implementation of the Code of Conduct and the Regulations in consultation with the Board/Audit Committee.
- ii. Prescribing procedures for various activities referred to in the Code of Conduct and the Regulations.
- iii. Compliance with the policies and procedures referred hereinabove.
- iv. Monitoring adherence to the regulations for the preservation of UPSI.
- v. Grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- vi. Implementation of Code of Conduct under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.
- vii. The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code of Conduct.
- viii. The Compliance Officer shall close the trading window for such periods as he/she may deem fit in compliance with the provisions of this code.

The Compliance Officer shall maintain a record of Designated Persons such as Directors, such employees and Connected Persons including representatives of the auditors, accountancy firms, law firms, analysts, consultants,





etc., as identified by the Board and their immediate relatives and changes thereto from time to time. He will also assist the designated persons in addressing any clarifications regarding the Regulations and this policy/code.

Every quarter the Compliance Officer will present to the Audit Committee Chairman the material facts relating to the trading of Securities by the Designated Persons along with the documents that such person has executed in accordance with the pre-trading procedure prescribed under this Policy.

PROHIBITION ON COMMUNICATING OR PROCURING UPSI

- i. An INSIDER shall not – Communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other insiders, except to the extent hereinafter mentioned in the Code of Conduct or
- ii. No person shall procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities; or
- iii. An INSIDER shall not- Discuss UPSI in public places, or
- iv. An INSIDER shall not- Disclose UPSI to any Employee who does not need to know the information for discharging his or her duties, or
- v. An INSIDER shall not- Recommend to anyone that they may undertake Trading in Securities of the Company while being in possession, control or knowledge of UPSI, or
- vi. An INSIDER shall not -Be seen or perceived to be Trading in Securities of the Company while in possession of UPSI.

The Specified persons who are privy to UPSI, shall handle the same strictly on a “need to know” basis. This means the UPSI shall be disclosed only to those persons who need to know the same in furtherance of a legitimate purpose, the course of performance of discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

LIMITED ACCESS TO CONFIDENTIAL INFORMATION

Specified Persons, privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- File containing confidential information shall be kept secure
- Computer files must have adequate security of long through a password

Follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time in consultation with the person in charge of Information Technology function.

To prevent the misuse of UPSI, the Company has will have the policy which separates those departments which routinely have access to UPSI, considered “inside areas” from those departments which deal with sale/marketing or other departments providing support services, considered “public areas”.

As per this policy, the employees in the inside areas are not allowed to communicate any UPSI or anyone in the public areas, the employees in inside area may be physically separated from the employee in public area and the demarcation of various departments as inside area shall be determined by the Compliance Officer in consultation with the Board.



Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

1. in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and Non-Disclosure Agreements being executed; or
2. in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company pursuant to appropriate confidentiality and Non-Disclosure Agreements being executed; or
3. within a group of persons if such persons have been identified and secluded within a "Chinese wall" or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the "Chinese wall."

PROHIBITION ON INSIDER TRADING

An Insider shall not, directly or indirectly, –

- i. Trade in Securities that are listed or proposed to be listed when in possession of UPSI;
- ii. Trade in Securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the restriction in 3 (i) above shall not apply to:

- i. a transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of this Code of Conduct and both parties had made a conscious and informed trade decision; and
- ii. Trades pursuant to a Trading Plan set up in accordance with this Code of Conduct.

When a person who has traded in Securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

TRADING WINDOW

- 1) The Compliance Officer shall notify a '**trading window**' during which the Designated Persons may trade in the Company's securities after securing pre-clearance from the Compliance Officer in accordance with this Code of Conduct.
- 2) Designated Persons shall not trade in the Company's securities when the trading window is closed. However eligible employees of the company may exercise employee stock options when the trading window is closed.
- 3) The trading window shall be closed for all Insiders from the 1st day immediately following the relevant calendar quarter till the conclusion of 48 hours after disclosure of such quarterly/ annual financial results of the company to stock exchanges.
- 4) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.
- 5) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.



- 6) Unless otherwise specified by the Compliance Officer, the trading window for Trading in Securities of the Company shall be closed for the Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have Unpublished Price Sensitive Information (UPSI), including for the following purposes:

- i. Declaration of financial results,
- ii. Declaration of Dividends,
- iii. Change in capital structure,
- iv. Mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions,
- v. Change in Key Managerial Personnel and

For the Item no. ii to v the Chairman/ CFO of the company shall well before initiation of such activity form core team of Employees who would work on such assignment. He will also designate senior employee who will be in-charge of such activity and all these employees will execute the undertaking not to deal in Securities of the Company till the UPSI regarding the activity is made generally available or the activity is abandoned, and the Trading Window would be regarded as closed for them. The core team may share information related to the activity with any connected person only on need to know basis for any advice or guidance required from such connected person, provided that such person are bound by confidentiality and undertake not to breach the Regulations

The trading window shall be opened 48 hours after the information referred to above become generally available. All the designated persons shall strictly conduct all their Trading in the Securities of the Company only when the Trading Window is open and no Designated person or their immediate relative shall trade in Securities of the Company during the period the trading window is closed or during any other similar period as may be specified by the Compliance Officer from time to time.

Provided that trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

PRE-APPROVALS OF DEALS IN SECURITIES

Every designated person shall obtain a pre trading approval as per the procedure before doing any trading of the Company Securities either by himself or by any of his Immediate Relatives. The said pre approval is necessary only in the circumstances where the cumulative trading of the Company Securities in any Financial Year exceeds Rs. 10.00 Lakhs. The designated person should approach the Compliance Officer to execute the relevant prescribed forms and declarations and in case of Compliance Officer, he has to make application and declaration to Chairman/ MD of the Company. The application can be made by electronic forms followed by hard copy. No designated person shall apply for pre trading approval if such person is in possession of UPSI even if the trading window is closed.

The Compliance Officer will consider the application preferably on the same trading day but not later than next trading day provided that such approval will not result in breach of any provisions of this policy. The approval shall be issued in the specified format and shall be valid for period seven working days from the date of approval.

In the absence of Compliance Officer any other authorized person not below the rank of senior manager from finance team or compliance team shall issue the approval.

As mentioned in the above para the period of validity for such approval will be for 7 days and the designated person should submit within two trading days of the execution of deal, the details of deal with Compliance Officer in a prescribed format. In case if the transaction is not undertaken a report to that effect shall be filed in the prescribed format.

In case of lapse of period (7 days) for execution of trading deal pursuant to the approval granted by the Compliance Officer the designated person or Immediate relative of the designated person may apply once again to the Compliance Officer for pre clearance of the transaction covered under the said approval.

The designated persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction i.e. sell or buy, as the case may be, any number of Securities of the Company. The





Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in this regards provided at such relaxation does not violate the regulations. It may, notwithstanding the above, should the designated persons execute an opposite transaction, inadvertently or otherwise in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

In case of doubt, the designated person shall check with the Compliance Officer or the officer designated by him/her from time to time whether the provisions relating to pre clearance are applicable to any proposed transaction in the Company's Securities. All the designated person should give the declaration in the specified format addressed to the Compliance Officer stating the Shares held by them and by their Immediate Relatives and giving the undertaking that they will not involve in any violation of insider trading regulations.

"Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. However, be noted that in terms of the Regulations no such purchase/sale will be permitted when the Trading window is closed.

PRE-CLEARANCE OF TRADING

- 1) Designated Persons may Trade in the securities of the Company when the trading window is open, after obtaining pre-approval Company by submitting an application as per Annexure 1 and an undertaking as per Annexure 2.
- 2) Designated Persons shall not trade in Shares of the Company and shall not apply for pre clearance if such Designated Person is in possession of UPSI even if the trading window is open.
- 3) The Compliance Officer shall not approve any proposed trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- 4) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve trading by a Designated Person, on the condition that the trade so approved shall be executed within seven trading days following the date of approval.
- 5) The Designated Person shall, within two days of the execution of the trade, submit the details of such trade to the Compliance Officer as per Annexure 3. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- 6) If the pre-cleared trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.
- 7) A Designated Person who trades in Securities without complying with the pre-clearance procedure as envisaged in these Code of Conduct or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Code of Conduct.
- 8) Nothing in this rule shall apply, if the cumulative trading whether in one transaction or a series of transactions in any financial year does not exceed Rs 10 lakh (Ten lakhs in market value) or such other amount as may be specified by the Board of Directors from time to time provided the Designated Person is not in possession of UPSI while executing the trade.

ADDITIONAL TRADING RESTRICTIONS ON DESIGNATED PERSONS

- 1) No Director, Key Managerial Personnel or Designated Persons shall enter into derivative transactions in respect of the Securities of the Company.
- 2) No Designated Persons shall do intra-day trading in the Securities of the Company.



- 3) All Designated Persons who trade in the Securities of the Company shall not enter into an opposite transaction/contra trade (buy and sell any number of Shares and vice versa) during the next six months following the prior transaction. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI. However, the Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing.
- 4) The above restriction on opposite transaction/contra trade shall not apply in case of exercise / sale of ESOP Shares provided the Designated Persons do not possess UPSI and the sale is executed when the trading window is open.
- 5) Provided that restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan."

TRADING PLAN

- 1) An INSIDER shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a "Trading Plan") and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his behalf in accordance with such plan.
- 2) The Compliance Officer shall review and approve the Trading Plan if it complies with the SEBI Regulations and shall disclose the Trading Plan to the stock exchanges.
- 3) TRADING PLAN shall
 - i. Not entail starting of trading on behalf of the insider earlier than 6 months from the public disclosure.
 - ii. Entail trading period of 12 months. Not entail overlap of any period for which another trading plan is already in place.
 - iii. Not entail trading during the period between 20 trading days before the last day of any quarterly/ half yearly/ annual financial period for which the results are required to be announced and two trading days after the disclosure of such results.
 - iv. Set out the values of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected. Not entail trading in securities for market abuse.
 - v. The compliance officer after reviewing the plan would approve the plan. Upon approval shall notify the stock exchanges.
 - vi. Implementation of the trading plan shall not be commenced if any UPSI in possession of insider at the time of formulating the plan has not become available at the time of implementation of the plan. In such case the commencement ought to be deferred.
 - vii. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan without being entitled to either deviate from it or to execute any trade in the securities out the scope of the plan.

PENALTY FOR INSIDER TRADING

1. Any Director, Officer or Designated Person of the Company who violates this Code of Conduct may be subject to disciplinary action by the Audit Committee of the Company which may include the following:
First violation -



When Trading window is open - Warning letter

When Trading window is closed – Warning letter plus monetary penalty of 50% of the profit earned or in case of loss 50% freeze of Basic salary.

Second violation -

When Trading window is open - monetary penalty of 50% of the profit earned or in case of loss 50% freeze of Basic salary.

When Trading window is closed – monetary penalty of 100% of the profit earned or in case of loss 50% freeze of Basic salary.

"Profit" - Profit for this purpose shall mean the difference between the selling price of the shares less exercise price / purchase price, as the case may be.

2. On any subsequent violations, such disciplinary action which may not be limited to reducing annual rating, holding up promotion for that year, non-eligibility for variable pay/bonus for that year, ineligibility for future participation in the Company's stock option, wage/salary freeze, suspension or dismissal as per the Company policy.
3. However, Audit and Risk Committee is permitted to take any disciplinary action including levying monetary penalty depending upon seriousness of the violation even though it is a first instance of violation.
4. Any penalty collected for violation of this code may be used for the Company's CSR expenses or remitted to Investor Education and Protection Fund (IEPF) in accordance with regulatory requirements.
5. The SEBI or any other appropriate regulatory authority would also be informed of the violation of this Code of Conduct. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.



Disclosure Requirement

DISCLOSURE REQUIREMENTS TYPE OF DISCLOSURE	WHAT	BY	TO	DURATION	FROM
INITIAL DISCLOSURES	Holding of securities of the Company as on date of appointment.	Upon becoming KMP, Director or Promoter	Company	Within 7 days of such appointment	FORM B set out in Annexure 4
CONTINUAL DISCLOSURES	Securities traded, in aggregate, IN A CALENDAR QUARTER , exceeds traded value of Rs. 10 Lakhs	Any Designated person/Promoter/Director	Company	Within 2 trading Days of such transaction	Form C set out in Annexure 5
	On receipt of such disclosure or on becoming aware of such information	Company	Stock Exchange	Within 2 trading days of receipt of disclosure	Form C set out in Annexure 5
DISCLOSURE BY OTHER CONNECTED PERSON	As required by the Company – <i>(to disclose the holding and trading's at such frequency)</i>	Connected Person	Company	As specified by the company	Form D set out in Annexure 6
ANNUAL DISCLOSURE	Holding of Securities of the Company	by Designated Persons	Company	As at Financial year beginning	FORM E set out in Annexure 7

MISCELLANEOUS

1. The Board of Directors shall be empowered to amend, modify, interpret this Code of Conduct and such change shall be effective from such date that the Board may notify in this behalf.
2. The Compliance Officer shall provide to the Chairman of the Audit Committee or to the Chairperson of the Board, on a quarterly basis, the details of options exercised under ESOP and trading in securities by the Designated Persons including any violations of the Code of Conduct and SEBI (Prohibition of Insider trading) Regulations, 2015.
3. The Compliance Officer shall maintain (a) updated list of Designated Persons, (b) records of disclosures and pre-clearance applications and undertakings for a period of five years and (c) a confidential list of any "restricted





securities" to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such "restricted securities".

4. The Company shall require all Connected Persons to formulate and adhere to a code of conduct to achieve compliance with this Code of Conduct. In case such persons observe that there has been a violation of the Code of Conduct, then they shall inform the Board of Directors of the Company promptly.
5. The Company has adopted the amended "Code of practice and procedures for fair disclosure of Unpublished Price Sensitive Information" available at www.vertoz.com to regulate the Company's practices and procedures for fair disclosure of UPSI.
6. It is the responsibility of the Connected Person to ensure compliance with the Code of Conduct. In case of any doubt a written correspondence should be done with the Compliance Officer and no action should be taken till the doubt is clarified in writing.

11. CONTACT DETAILS OF COMPLIANCE OFFICER:

Sumit R. Sharma
Company Secretary & Compliance Officer
VERTOZ ADVERTISING LIMITED
602, AVIOR, NIRMAL GALAXY L.B.S. MARG,
OPP. JOHNSON & JOHNSON, MULUND (W)
MUMBAI MH 400080 IN

Email:- sumit.sharma@vertoz.com, compliance@vertoz.com



Annexure – 1
APPLICATION FOR PRE-TRADING APPROVAL

To,
The Compliance Officer,
Vertoz Advertising Limited

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / subscribe _____ Equity Shares of the Company as per details given below: I declare that I am not in possession of any unpublished price sensitive information.

1.	Name of the applicant & If applicable Name of the Relative	
2.	Employee ID (If Applicable)	
3.	Designation	
4.	Number of Securities as on date	
5.	Folio No./ DP ID/ Client ID No.	
6.	The Proposal is for	a) Purchase of Securities b) Subscription of Securities c) Sale of Securities
7.	Proposed date of trading in Securities	
8.	Estimated number of Securities proposed to be purchased/ subscribed/ sold	
9.	Current Market Price (As on date of Application)	
10.	Whether the proposed transaction will be through Stock Exchange or off-market trade	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the Undertaking signed by me.

Signature: _____

Name:

Date:



Annexure 2

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

To,
The Compliance Officer,

Vertoz Advertising limited

I, _____, (having PAN:- 10 Digit and Aadhaar No:- 16 Digit), Employee/ Supplier/ any other (please specify) _____ of the Company, am desirous of trading in Equity/ (Any other.....) Shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of any unpublished price sensitive information up to the time of signing this Undertaking.

In the event that I have access to or receive any unpublished price sensitive information after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code of Conduct as notified by the Company from time to time.

In the event of this transaction being in violation of the Code of Conduct or the applicable laws,

(a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons,

(b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and

(c) I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within seven trading days of the receipt of approval failing which I shall seek pre-clearance afresh.

I declare that I have made full and true disclosure in the matter.

Signature: _____

Name: _____

Date: _____



Annexure 3

DISCLOSURE OF TRANSACTIONS WITH REFERENCE TO PRE-CLEARANCE APPROVAL OBTAINED.
(To be submitted within 2 days of transaction / trading in securities of the Company)

To,
The Compliance Officer,
Vertoz Advertising Limited

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on ____ (date)

(Strike out whichever is not applicable)

Name of Holder	No. of Securities Traded	Bought/ Sold / Subscribed	DP ID/ Client ID/ Folio No.	Price (Rs.)

I declare that the above information is correct and that no provisions of the Company's Code of Conduct and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature: _____

Name: _____

Date: _____



Annexure 4

Form B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (b) read with Regulation 6(2)]

To,
The Compliance Officer,

Vertoz Advertising Limited

Details of Securities held on appointment of Key Managerial Personnel or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2) of SEBI Regulations.

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate Relatives/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter /others etc.)	Securities held at the time of becoming Promoter/appointment of Director/KMP/ others etc.)		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP/ others etc.)			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP/ others etc.)		
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Contract	Number of units (contracts* lot size)	Notional value in Rupee terms	Contract	Number of units (contracts* lot size)	Notional value in Rupee terms



Annexure 5
FORM C
Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6(2)]

To,
The Compliance Officer,
Vertoz Advertising Limited

Details of change in holding of Securities of Promoter, Designated person or Director of a listed company and other such persons as mentioned in Regulation 6(2) of the SEBI Regulations.

Name, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connection with the company	Securities held prior to acquisition/disposal		Securities Acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public rights/ preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertibles Debentures etc.)	Nos	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No	Value	Transaction type Buy/ sell/ pledge/ invoke/ revoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of Share-holding	From	To			Type of Contract	Contract Specifications	Buy		Sell		
																Value	Number of units (contract size * lot size)	Value	Number of units (contracts * lot size)	



**Annexure 6
FORM D**

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Regulation 7(3) – Transactions by other connected persons as identified by the company

To,
The Compliance Officer,
VERTOZ ADVERTISING LIMITED (ISIN: _____)

Name, PAN No., CIN/DIN, & address of connected persons, as identified by the company with contact nos.	Connection with the company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal			Date of Allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public rights/ preferential offer / off - market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	Type of security (For eg. Shares, Warrant, Convertible Debentures etc.)	No	Value	Transaction Type (Buy/Sale)	Type of (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and Share-holding	From	To	Type of Contract			Contract Specifications	Buy		Sell			
																Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)		



**Annexure 7
FORM E**

To
The Compliance Officer
Vertoz Advertising Limited

Reg: Annual Disclosure of shareholdings in terms of the Code of Conduct for Prevention of Insider Trading by Designated Persons.

Following are the details of shares held by me, (Name) (Designation and Department), and my immediate relatives and persons with whom I share a material financial relationship (as defined in the Code).

Name, Address & Contact details	Relationship	Names of educations institutions from which designated persons have studied and names of their past employers	PAN	No. of Shares Held in the Company	Details such as Folio/DP ID/ Client ID
	SELF				
Immediate Relatives & persons with whom I share a material financial relationship					
1.					
2.					
3.					
4.					
5.					
6.					

* Please refer to the definition of "Immediate Relatives" & "material financial relationship is shared" under the Code.

Signature: Date:

Designation: Place:



CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

A. POLICY:

The SEBI Regulations require the Company to formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to the SEBI Regulations.

The SEBI Regulations requires the Company to promptly disclose unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

B. CODE OF FAIR DISCLOSURE PRACTICES:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

PUBLIC REPRESENTATION OF THE COMPANY AND THE GROUP.

The Company honor's the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. The Company shall be represented only by specifically authorized person by the Board. It shall be the sole responsibility of these authorized representatives to disclose information about the company.

MINIMUM STANDARDS FOR CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS:

The Code of conduct which is elaborated in the beginning comprising of duties and powers of the compliance officer along with the detailed procedure to monitor the prohibition of insider trading of company securities.

However the gist of minimum standards that required are reproduced.



1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors but not less than a year.
2. The information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.
3. Designated persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
4. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. "Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information
5. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
7. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
9. The code of conduct has specified reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed. "Provided that this shall not be applicable for trades pursuant to exercise of stock options."
10. The code of conduct has specified the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction provided that such relaxation does not violate these regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
11. The code of conduct has stipulated formats as the board of directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
12. Without prejudice to the power of the Board under the Act, the code of conduct has stipulated the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the persons required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct.



13. The code of conduct has specified that in case it is observed by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, it shall inform the Board promptly.

14. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

Any contravention to the policy will attract the penal provisions under Section 15G of SEBI Act. Any person, employee, directors, KMP contravenes the provisions of Insider Trading regulations shall be punishable with a fine of Rs. 10 lakhs which may extend to Rs. 25 Crores or imprisonment for a period 2 years or both.

RESPONDING TO MARKET RUMOURS

The Company’s general policy is not to comment upon such rumours.

In case there is any query or request for verification of market rumours by the stock exchanges, the Company Secretary shall carry out preliminary enquiry/investigation in to the circumstances resulting in origination of the rumour so as to ascertain the exact basis and nature of the rumour, actual/potential effect on movement of prices of the securities and other related factors; and an internal report will be prepared on the basis of the above and forwarded to the Chairman and/or Managing Director, CEO , CFO and Chief Investor Relation officer for deciding the response in the form of clarification, denial or rebuttal to be given to the stock exchange. If necessary, appropriate press release may also be given for information of the general investors.

DISCLOSURE/ DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, INSTITUTIONAL INVESTORS

The Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:

Only public information to be provided. The Company shall provide only public information to the analyst/ research persons/ large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

Recording of discussion. In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives including the Chief Investor Relations Officer be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.

Handling of unanticipated questions. The Company shall be careful when dealing with analysts, questions that raise issues outside the intended scope of discussion. The Chief Investor Relations Officer, should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Managing Director/ Chief Executive Officer/ Chief Financial Officer. If the answer includes Price Sensitive Information, a public announcement should be made before responding.





Simultaneous release of information. When the Company organises meetings with analysts, the Company shall make a press release or post relevant information on its website after every such meet. The Company may also consider live webcasting of analyst meets.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

For the purpose of illustration, the term "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, market makers or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations. (ii) The information shall be shared with any person on 'need to know' basis. (iii) Insiders shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law. (iv) Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of the Company in appropriate circumstances provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulation. The person who has the UPSI should ideally recuse himself from assigned task of the sharing the UPSI with third parties in such doubtful cases to avoid any adverse inferences in this regard. (v) The agreements entered into involve sharing of UPSI should have a "confidentiality clause" or else a separate Non-Disclosure Agreement shall be executed with parties to safeguard the disclosure of UPSI.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom UPSI is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

VIOLATION OF THIS POLICY

Any violation of this policy by an employee, designated person, officer, or director of the Group shall be brought to the attention of the Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Board of Directors and may constitute grounds for termination of service.



Appendix A
AN EXTRACT OF SECTIONS 15G AND 24 THE SEBI ACT, 1992

A. PENALTY FOR INSIDER TRADING

If any insider who, —

- 1) either on his own behalf or on behalf of any other person, deals in Securities of a Body Corporate listed on any Stock Exchange on the basis of any unpublished price-sensitive information; or
- 2) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or
- 3) counsels or procures for any other person to deal in any Securities of any Body Corporate on the basis of unpublished price-sensitive information, shall be liable to a penalty which shall not be less than Rs 10 lakh but which may extend to Rs 25 crore rupees or 3 times the amount of profits made out of insider trading, whichever is higher.

B. OFFENCES

- 1) Without prejudice to any award of penalty by the Adjudicating Officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty five crore rupees or with both.
- 2) If any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty five crore rupees or with both.

