



# **LOTUS EYE HOSPITAL AND** **INSTITUTE LIMITED**

**POLICY FOR DETERMINATION OF LEGITIMATE  
PURPOSE / POLICY FOR PROCEDURE OF  
INQUIRY IN CASE OF LEAK OF UPSI**



## **PREFACE**

The Board of Directors of Lotus Eye Hospital and Institute Limited (the “Company”/ “LEHIL”) has adopted following policy for Fair disclosure of Unpublished Price Sensitive Information (UPSI) in line with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. This Policy was applicable effective May 30, 2015.

Now with the onset of Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, it is mandatory for the Board of Directors of a listed Company to make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and conduct”. This needs to be covered in the existing fair disclosure policy and LEHIL be effective April 1, 2019.

## **OBJECTIVE & INFORMATION COVERED UNDER THIS POLICY**

Lotus Eye Hospital and Institute Limited being a Listed Entity is obligated to comply with the disclosure requirements under the SEBI (LODR) Regulations and all the persons investing in the Company have equal right to access information that may affect their investment decisions and believes that full and fair disclosure of material information to the public is the keystone. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, every listed company needs 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. The Policy is subject to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and shall be subject to the provisions of SEBI LODR Regulations and other applicable regulations as amended from time to time.

## **PRINCIPLES OF FAIR DISCLOSURE**

1. The Company shall ensure to make prompt public disclosure of Unpublished Price Sensitive Information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available (GA).
  - (i) “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:-
    - (a) financial results
    - (b) dividends
    - (c) change in capital structure
    - (d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
    - (e) changes in key managerial personnel
  - (ii) “GA” means information that is accessible to the public on a non-discriminatory basis
2. Uniform and universal dissemination of UPSI to avoid selective disclosure.



3. The Company has designated the CFO as Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI, in consultation with the Chairman/ Managing Director.
4. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Except as otherwise provided in the policy, as a matter of best practice, the Company shall refrain from commenting on any Market Rumors and speculations. However, at times the Stock Exchanges might require clarifications on the market rumors which LEHIL be dealt with by the Chairman/ Managing Director accordingly.
6. UPSI to Analyst: The Chairman/ Managing Director is the authorized spokespersons of the Company. They are permitted to meet with and discuss with analysts and other market participants but care must be taken to ensure that no UPSI that has not been previously disclosed, including information in the form of guidance on financial performance relative to street's expectations, is communicated.
7. The following measures to be observed while making communication with Analysts, Investors and Media:
  - (i) The spokesperson should desist from disclosing any material information which is not available to the Public.
  - (ii) In the event any UPSI is proposed to be disclosed, a press release should be made prior to such disclosure of UPSI to analysts, Investors or Media
  - (iii) The Company LEHIL observe a quiet period prior to release of quarterly results. During such period the Company LEHIL not conduct meeting with analyst and investors. The quiet period shall remain in force until the UPSI is made public.

#### **POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES"**

1. The Company shall ensure that no insider shall communicate, provide, or allow access to any UPSI, relating to "LEHIL" to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. The Company shall ensure that no person shall procure from or cause the communication by any insider of UPSI, relating to "LEHIL" except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. The term "legitimate purpose" shall include sharing of UPSI 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 prohibitions of these regulations.



4. The Company shall ensure that any person in receipt of UPSI 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 UPSI in compliance with these regulations.
5. The Company may allow the communication of any UPSI in connection with a transaction that would:
  - (i) entail an obligation to make an open offer under the takeover regulations where the board of directors is of informed opinion that sharing of such information is in the best interests of the Company;
  - (ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.
  - (iii) to ensure that the parties execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub regulation (3), and shall not otherwise trade in securities of the Company when in possession of UPSI.
6. The Company to ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information for furtherance of the legitimate purpose 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.
7. Company shall handle all UPSI on a need to know basis. Persons of the Company , who are in possession or access to UPSI shall handle such information with care and to deal with the information with them when transacting their business strictly on a need to know basis Events Transactions to be disclosed within the framework of this Policy, in accordance with the SEBI (LODR) Regulations, the events/transactions/information upon occurring (List of material events as mentioned in the SEBI (LODR) Regulations ) shall be disclosed or published in public domain within the timelines stipulated thereunder. Managing Director shall be the authority who is entitled to take a view on the materiality of an event that qualifies for disclosure/ Manner of disclosure. The material disclosures under this policy, shall be disclosed to the Stock Exchanges by sending e-mails to the designated email IDs of the Stock Exchanges and couriering the original intimation letters to them.

Managing Director subject to the approval of the Board of Directors, reserves the right to amend or modify this code at any time.



## **POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UPSI**

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

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“PIT Amendment Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of UPSI and initiate appropriate inquiries on becoming aware of leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.

The Company has laid down this policy for procedure of inquiry in case of leak of UPSI (‘the policy’), for adoption.

### **I. Objective**

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the Company and which affects the market price of the Company as well as loss of reputation and investors’ / financiers’ confidence in the Company.
- (iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any Person, Firm, Company or Body Corporate.
- (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (“SEBI”) promptly.
- (v) To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

### **II. Scope**

The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. The Company strive to restrict and prohibit the practice of sharing of UPSI which originates from within the Company by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated person, Support staff or any other known or un-known person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors’ confidence in the Company.

### **III. Applicability**

This Code shall be applicable with effect from April 1, 2019.



#### **IV. Definitions:**

- (i) 'Insider' means any person who is:
  - a) a connected person; or
  - b) in possession of or having access to UPSI.
  
- (ii) Chief Investor Relation Officer refers to the Chief Financial officer of the Company and Compliance Officer refers to the Company Secretary
  
- (iii) Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board or Chief Investor Relation Officer (CIO) of the Company after following the due process prescribed in this behalf in the Code of Practices /Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
  
- (iv) Support Staff shall include Staffs of Accounts & Finance, department, Information technology department and Secretarial department who have access to UPSI.

Note: Words and expressions used and not defined in this Code 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) and the Rules and Regulations made there under shall have the meanings respectively assigned to them in those legislation.

#### **V. Constitution of Enquiry Committee:**

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a Committee to be called as "Enquiry Committee".

The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Investor Relation Officer (CIO) and the Compliance Officer.

The Managing Director, at his discretion, may include any other officer as may be required depending upon the situation and circumstances of the enquiry.

#### **VI. Duties of Enquiry Committee:**

The Enquiry Committee shall be responsible to

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and



- (b) To authorize any person / Company Secretary to collect necessary support material; and
- (c) To decide disciplinary action thereon.

#### **VII. Duties of Chief Investor Relations Officer:**

The CIO shall be responsible to;

- (i) oversee the Compliance of this policy.
- (ii) report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- (iii) intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) to co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee
- (v) to sensitize the employees about this aspect and enable employees to report instances of leak of UPSI.

#### **VIII Procedure for enquiry in case of leak of UPSI:**

On becoming aware by any member of the Enquiry Committee, either suo moto or otherwise, of actual or suspected leak of UPSI of the Company by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated person, Support staff or any other known or un-known person, the below mentioned procedure LEHIL be followed for enquiring / investigating the matter.

##### **(a) Preliminary Enquiry:**

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark any disciplinary action.

The Enquiry Committee shall authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI. If no such person is authorised, the Compliance officer, LEHIL conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

##### **(b) Report of Preliminary Enquiry to the Enquiry Committee:**

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.



**(c) Disciplinary Action:**

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination etc., as may be decided by the Members of the Committee.

**IX. Disclosure of actual or suspected leak of UPSI to Stock Exchanges:**

On becoming aware of actual or suspected leak of UPSI of the Company, either the CIO or the Compliance officer shall promptly intimate the Stock Exchanges on which the Securities of the Company are listed in the format as set out in "Annexure A" to this policy.

**X. Report of actual of suspected leak of UPSI to SEBI:**

On becoming aware of actual or suspected leak of UPSI of the Company, the CIO or the Compliance office shall report such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof to the SEBI in the format as set out in "Annexure B" to this policy.

**XI. Amendment**

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 Policy with a new Policy and also the Whistle Blower policy incorporating this regulation.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.



## **Annexure A**

### **Format for Intimation of Actual or Suspected leak of UPSI to the Stock Exchanges Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

To, National Stock Exchange of India Limited / Bombay Stock Exchange

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.

Name of Organization.

Designation (Employee, Insider, Designated Person or any other)

Nature of Information

Whether any action initiated by the Company.

If yes, narration of the same

Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

**Yours faithfully,**

**For Lotus Eye Hospital and Institute Limited**

Company Secretary & Compliance Officer



Annexure B

**Format for Reporting Actual or Suspected leak of UPSI to the SEBI Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015**

To, Securities and Exchange Board of India Plot No. C 4-A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra

Dear Sir / Madam,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015.

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information

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