



**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)
OF
ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED**

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

1. BACKGROUND

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of Zicom Electronic Security Systems Limited (“Zicom/Company”) has laid down this Policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information (“the Policy”).

2. OBJECTIVES

- a) To strengthen the internal control system to prevent leak of UPSI.
- b) To restrict and prohibit the practice of sharing of UPSI, with the unauthorized 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.
- c) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employees and Designated Persons with any person, firm, Company or Body Corporate.
- d) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the Securities and Exchange Board of India (SEBI).
- e) To take disciplinary actions, if deemed fit against any Insider, Employee and Designated Persons who appears to have found guilty of violating the Policy, apart from any action that SEBI may initiate / take against the Insider, Employee and Designated Persons.

3. SCOPE

To lay procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

4. APPLICABILITY

The Policy shall be applicable with effect from April 1, 2019.

5. DEFINITIONS

- 5.1 “**Chief Investor Relations Officer**” means the Company Secretary of the Company appointed by the Board of Directors under SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 5.2 “**Designated Persons**” means
 - (a) Every Director, including independent, executive and non executive directors of the Company and its Subsidiary(s) and/or Associate Company(s).
 - (b) Chief Executive Officer (CEO); Chief Financial Officer (CFO) and Company Secretary (CS) of the Company and its Subsidiary(s) and/or Associate Company(s).

- (c) Every Departmental Head of the Company and its Subsidiary(s) and/or Associate Company(s).
- (d) Every employee working in the grade of Assistant Manager and above in the Company and its Subsidiary(s) and/or Associate Company(s).
- (e) Every employee of the Finance and Accounts Department of the Company and its Subsidiary(s) and/or Associate Company(s).
- (f) Every employee of the Secretarial and Legal Department of the Company and its Subsidiary(s) and/or Associate Company(s).
- (g) Every employee of the IT Department of the Company and its Subsidiary(s) and/or Associate Company(s).
- (h) Executives Assistants / Secretaries to Directors and to persons mentioned in (a) to (c) above, if any.
- (i) Auditors of the Company and its Subsidiary(s) and/or Associate Company(s) including but not limited to Statutory Auditor, Internal Auditor and Secretarial Auditor.
- (j) Other employees of other Departments / Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company and its Subsidiary(s) and/or Associate Company(s), to be decided by the Chairman / Managing Director / Whole-Time Director / Compliance Officer / Chief Financial Officer, on a case-to-case basis.
- (k) Employees of material subsidiary(s) of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors.
- (l) All promoters of the Company.
- (m) Every employee upto two levels below of Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the Company or ability to have access to unpublished price sensitive information.
- (n) All recipients, if any, under ESOS / ESOP.
- (o) Consultants of the Company and its Subsidiary(s) and/or Associate Company(s) their employees and associates, and such other persons as may be designated.
- (p) Immediate relative (as defined in the Code) of the aforesaid persons.
- (q) Connected Person as defined in the Code.
- (r) Insider as defined in the Code.
- (s) Specified Person as defined in the Code.
- (t) Such other persons as may be identified by the Compliance Officer.

Associate Company means a company in which Zicom has a significant influence, but which is not a subsidiary company of Zicom having such influence and includes a joint venture company.

Explanation.—For the purpose of this clause;

- (i) the expression “significant influence” means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement;
- (ii) the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

5.3 “**Disciplinary Action**” means any action that can be taken on the completion of / during the investigation proceedings including but not limited to warning, imposition of fine, suspension from official duties or any such action as is deemed fit considering gravity of matter.

5.4 **“Immediate Relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

Note: if spouse is financially independent and doesn't consult an insider while taking trading decisions, the spouse won't be exempted from the definition of immediate relative. A spouse is presumed to be an “immediate relative”, unless rebutted so.

5.5 **“Leak of UPSI”** means communication of information which is / shall be UPSI, by any Insider, Employee and 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 for 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, or any other law as may be applicable for time being in force and any amendment, re-amendment or re-enactment thereas.

5.6 **“Unpublished Price Sensitive Information”** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, amalgamations, acquisitions, de-listings, disposals, scheme of arrangement, or takeover, selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- (v) changes in key managerial personnel.

Words and expressions used and not defined in the Regulations but defined in 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 rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

6. DUTIES OF CHIEF INVESTOR RELATIONS OFFICER (CIO)

The CIO shall be responsible to;

- a) Oversee the Compliance of the Policy.
- b) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected Leak of UPSI to the Inquiry Committee.
- c) Intimate the incident of actual or suspected Leak of UPSI to the Stock Exchanges.
- d) Report the incident of actual or suspected Leak of UPSI to the Securities and Exchange Board of India.

7. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES

On becoming aware of actual or suspected Leak of Unpublished Price Sensitive Information of the Company, the Chief Investor Relation Officer shall ensure that the same shall promptly be intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in **Annexure-A** to the Policy.

8. REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI

On becoming aware of actual or suspected Leak of Unpublished Price Sensitive Information of the Company, the Chief Investor Relation Officer shall ensure that a report on such actual or suspect Leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in **Annexure- B** to the Policy.

9. CONSTITUTION OF INQUIRY COMMITTEE

In case of actual or suspected Leak of UPSI, a Committee shall be constituted by the Board of Directors or such person(s) as may be authorized by the Board in this behalf to be called as “Inquiry Committee” to perform such duties as may be prescribed by the Policy or by any other applicable law for the time being in force.

The Inquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and / or any other officer(s) of the Company as the Board of Directors, may deem fit.

The Board of Directors may change / alter / re-constitute the Inquiry Committee as may be required from time to time.

10. DUTIES OF INQUIRY COMMITTEE

The Inquiry Committee shall be responsible;

- a) To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected Leak of UPSI, if any;
- b) To authorize any person, if required, to collect necessary support material;
- c) To consider the facts and circumstances and decide / direct on the matter;
- d) To decide disciplinary action thereon.

11. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI

The Inquiry Committee shall suo-moto on becoming aware or otherwise, of actual or suspected Leak of Unpublished Price Sensitive Information of the Company by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated Person, Support Staff or any other known or unknown person, shall follow the below mentioned procedure in order to inquire and / or otherwise investigate the matter.

a) To take Cognizance of the matter:

The Inquiry Committee shall meet within a period of 2 (two) working days after receipt of the information of actual or suspected Leak of Unpublished Price Sensitive Information and take cognizance of the matter and decide as follows:

- i. If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
- ii. If it is found that the issue requires further investigation, preliminary inquiry may be initiated.

b) Preliminary Inquiry:

Preliminary Inquiry is a fact-finding exercise which shall be conducted by the Chief Investor Relation Officer. The object of preliminary inquiry 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 Inquiry Committee, if required and in addition to Chief Investor Relation Officer may also appoint and / or authorize any person(s), as it may deem fit, to initiate / conduct an inquiry to collect the relevant fact, material substances on actual or suspected Leak of UPSI.

c) Report of Preliminary Inquiry to the Inquiry Committee:

The Chief Investor Relation Officer or Person(s) appointed / authorized to inquire the matter of actual or suspected Leak of UPSI shall submit his / her report to the Inquiry Committee within 7 days from the date of his appointment on this behalf.

d) Result / Report of Inquiry Committee:

The Chief Investor Relation Officer shall intimate the result / report of Inquiry Committee to the Board.

e) Disciplinary Action:

The Disciplinary Action(s) shall include wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Inquiry Committee, in addition to the action to be initiated by SEBI, if any.

12. AMENDMENT

The Board of Directors of the Company may amend / substitute any provision(s) with a new provision(s) or replace the Policy with a new Policy. In any circumstance where the terms of the Policy differ from any law, rule, regulation, etc. for the time being in force, the law, rule, regulation, etc. shall take precedence over the Policy.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to the 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) Regulations, 2015]**

[Date]

The Secretary / Corporate Relationship Dept.
The Bombay Stock Exchange Limited
P.J. Towers,
Dalal Street, Fort,
Mumbai 400001.

The Manager
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051.

Stock Code: 531404

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

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

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby report the details of 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
Any other information	

Request you to take the above on record.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems 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) Regulations, 2015]

[Date]

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai 400051.

Ref.: BSE Scrip Code “531404”
NSE Scrip Code “ZICOM”

Dear Sir / Madam,

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

Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, we hereby report the details of 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
Any other information	

Request you to take the above on record.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems Limited**

Company Secretary & Compliance Officer