



**POLICY FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE
SENSITIVE INFORMATION**

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Newgen Software Technologies Ltd.

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1. INTRODUCTION:

This Policy and Procedure is formulated as per the requirement of Regulation 9A(5) and 9A(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Newgen's Code of Practices & Procedures for Fair Disclosure ("Code").

The Objective of this Policy is to provide framework/ procedures for reporting and inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information.

2. APPLICABILITY:

This Policy is to provide framework/ procedures for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information.

3. DEFINITION:

Pursuant to the SEBI Regulations, unless the context otherwise requires, the following words, expressions and derivations there of shall have the meanings assigned to them as under:

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

3.2 "Insider" means any Person who is:

- a. a Connected Person; or
- b. in possession of or having access to unpublished price sensitive information

Explanation: It is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an "Insider" regardless of how one came in possession of or had access to such information.

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

3.4 "Protected Disclosure" means a concern raised by complainant through a written communication and made in good faith which discloses or demonstrates information about leakage or suspect of leakage of UPSI with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.



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

3.6 "Unpublished price sensitive information" also referred as "**UPSI**" 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, include but not restricted to, information relating to the following: -

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-listings, disposals, expansion of business and such other transactions;
- v. changes in key managerial personnel.

Explanation: It is intended that information relating to Company or Securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

3.7 Whistleblower means a person who reports instance of leak/ suspected leak of price sensitive information under this Policy.

Any word used in this Policy but not defined herein shall have the same meaning as described to it in the Newgen’s Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy on Whistle Blower Mechanism.

4. SCOPE:

This Policy deals with

- a. Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- b. Strengthening the internal control system to prevent leak of UPSI.
- c. Penalizing any insider who appears to have found guilty of violating this policy.

5. REPORTING INSTANCES OF LEAK/ SUSPECTED LEAK OF UPSI:

- a) Whistleblower may submit Protected Disclosure related to leak or suspect of leak of UPSI to the Compliance Officer. Any Protected Disclosure shall be reported at: -
E-mail: - Investors@newgensoft.com
Address: E-44/13, Okhla Phase - 2, New Delhi -110020
- b) Whistleblower must put his/her name as follow-up questions and investigation may not be possible unless the source of the information is identified. Therefore, Protected Disclosures expressed anonymously will ordinarily NOT be investigated. However, Audit Committee under exceptional cases may choose to investigate an anonymous disclosure as stated in the Policy on whistle Blower.



- c) The Whistleblower need not prove the concern but must demonstrate sufficient grounds for raising the concern. Mention of factual details along with substantial evidence about the incident is preferred.
- d) The Protected Disclosure could be submitted through the channel mentioned above as soon as possible but not later than 30 days after becoming aware of the same. All such incidences must be reported in writing to ensure a clear understanding of the issue. The Audit Committee at its sole discretion may decide to entertain the complaint made after aforesaid 30 days, if necessary.

6. PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI:

- a) Any member of the Audit Committee, shall, on becoming aware suo moto or on receipt of a intimation of a leak or suspected leak of UPSI from below mention person, follow the procedure as stated in this policy in order to inquire the matter:-
 - i. the Suspect;
 - ii. Any other person(s); or
 - iii. Regulators,
- b) The Compliance Officer shall carry out preliminary investigation of all Complaints received within ten working days. Complaints along with preliminary investigation will be forwarded to the Audit Committee. In case the complaint is against the Compliance Officer, the CEO/ Managing Director shall carry out preliminary investigation. The CEO / Managing Director may also nominate other official of the Company for such preliminary investigation against the Compliance Officer.
- c) Audit Committee shall discuss the preliminary investigation report. If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed. If the prima facie is established, the Audit Committee shall proceed to conduct a detailed inquiry. The Audit Committee or the Compliance Officer may seek any internal / external assistance to carry out such inquiry and investigation.
- d) The Audit Committee if required, shall established an Enquiry Committee consist of at least three employees or any other person(s), as it may deem fit, including Compliance Officer of the Company, to collect the relevant facts, materials and documents substantiating actual or suspected leak of UPSI, to complete detailed investigation report. The Audit Committee and the Enquiry Committee shall have all the powers and rights as necessary and incidental to conduct the investigation. The details investigation has to be completed within 30 days from the date of discussion on preliminary investigation report.
- e) Post getting the detailed investigation report, the Audit Committee, if forms an opinion that the person is guilty of leak of UPSI then it will order for necessary disciplinary proceedings of the company, which will be in addition to the penal provisions stated under SEBI



(Prohibition of Insider Trading) Regulations, 2015 and any other statutory enactments, as applicable.

- f) The Audit Committee shall put forward its recommendation to the Board of Directors for its noting and inputs if any.
- g) The Company suo moto reserves the right of initiating an inquiry under this policy against any person if it has reason(s) to believe that such person has leaked UPSI or suspected to leak UPSI. All the Complaint, and inquiry in this respect shall be investigated as per the aforesaid procedure. Provided that the investigation along with the issuance of direction by Audit Committee shall have to be completed within 90 days of becoming aware or on receipt of an intimation of a leak or suspected leak of UPSI.
- h) If an inquiry is initiated by the Audit Committee, Enquiry Committee and Compliance Officer, in case of leak or suspected leak of UPSI, the Designated Persons and concerned employees, intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry conducted by the Company. False or frivolous complaints would be subject to necessary disciplinary actions.
- i) Any refusal or non-corporate by aforesaid persons, shall constitute a misconduct, rendering such persons liable for disciplinary action. The Audit Committee shall have the right to terminate the inquiry proceedings or to give an ex-parte decision on the Subject, if the Subject fails, without sufficient cause, to present themselves, for any meeting convened by the Inquiry Committee or the Audit Committee.
- j) The Company shall promptly inform the concerned stock exchanges where the securities are traded of such leaks, inquiries and results of such inquiries.

7. RIGHTS AND OBLIGATIONS OF THE SUSPECT:

- a) The Suspect shall-
 - co-operate with the Inquiry Committee during the investigation process.
 - have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
 - right to be informed of the outcome of the investigation
- b) The Suspect(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.
- c) Unless there are compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.



8. WHISTLE-BLOWER PROTECTION:

The Company will ensure to protect Whistle-Blowers against retaliation, as described below:

- a) The Company will keep the Whistle-blower's identity confidential, unless:
 - The person agrees to be identified in writing.
 - Identification is necessary to allow the Company or law enforcement officials to investigate or respond effectively to the report.
 - Identification is required by law; or
 - The individual accused of compliance violations is entitled to the information as a matter of legal right in disciplinary proceedings.

- b) The Company, the Whistle Blower, the Respondent and every other person involved in the process shall:
 - Maintain complete confidentiality and secrecy of the matter;
 - Not discuss the matter in any informal/social gatherings/meetings;
 - Not keep the papers unattended anywhere at any time;

- c) The Company prohibits retaliation against a Whistle-Blower with the intent or effect of adversely affecting the terms or conditions of employment (including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages). Whistle-Blowers who believe that they have been retaliated against may file a written Complaint with the Ethics Committee. A proven Complaint of retaliation shall result in a proper remedy for the person harmed and severe disciplinary action including termination of employment against the retaliating person. This protection from retaliation is not intended to prohibit managers or supervisors from acting, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

9. CONSEQUENCES OF NON-COMPLIANCE:

- a) The disciplinary action may include, wage freeze, suspension, recovery, clawback, disgorged of gain, ineligibility for future participation in the Company's stock option/RSU plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorized by the Board.

- b) SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect, as prescribed under SEBI PIT Regulations.

10. CLARIFICATION:

The Compliance Officer may be contacted for any assistance as to the interpretation and application of this Policy.

11. AMENDMENT:

Any or all provisions of the Policy would be subject to revision/amendment in accordance with



the guidelines/regulations on the subject as may be issued by the SEBI and other Government Regulatory Authorities, from time to time.

12. GENERAL:

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Regulation or any other statutory enactments, rules, the provisions of such Act or Listing Regulation or statutory enactments, rules shall prevail over this Policy.

Sd/-
Diwakar Nigam
Chairman & Managing Director
Date: 20th July 2021