



SILLY MONKS ENTERTAINMENT LIMITED

POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

**[Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]
(Effective from April 1, 2019)**

1. Background

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mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.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 Silly Monks Entertainment Limited (“**The Company**”) has laid down this policy for procedure of inquiry in case of leak/ suspected leak of Unpublished Price Sensitive Information (“**The Policy**”), for adoption.

2. Scope

To lay procedures for inquiry in case of leak/suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

3. Applicability

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

4. Definitions

- i) “**Act**” means the Securities and Exchange Board of India Act, 1992.
- ii) “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- iii) “**Board**” means the Securities and Exchange Board of India.
- iv) “**Compliance Officer**” means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in SEBI regulations or in these Codes under the overall supervision of the Board of Directors of the Company or the Head of the Organisation.
- v) “**Designated Persons**” means persons specified by the board of directors under regulation 9(4) of SEBI (PIT) Regulations, 2015 read with SEBI (PIT) Amendments Regulations, 2018.
- vi) “**Insider**” means any person, who is,
 - a) a connected person; or
 - b) in possession of or having access to unpublished price sensitive information.
 - c) in receipt of unpublished price sensitive information pursuant to a “legitimate purpose”.

- vii) **“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.
- viii) **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- ix) **“Un-published Price Sensitive Information” (“UPSI”)** shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include 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
 - e) Change in Key Managerial Personnel.

5. Duties of Compliance Officer

The Compliance Officer shall be responsible to;

- i) Oversee the Compliance of this policy.
- ii) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Audit committee.

6. Process of inquiry in case of leak of UPSI or suspected leak of UPSI

- i) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory /statutory authority or any other department of Central or State Government.
- ii) The complaint shall, inter alia, state particulars / details of the complainant. The complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
- iii) The complaint shall be addressed to the Company or Board or Audit Committee or Chairman or Managing Director or Chief Financial Officer or Compliance Officer, by whatever name called unless such KMPs are involved in such leak of UPSI.
- iv) Within 5 (five) working days of receipt of the complaint, the Compliance Officer shall write to the complainant intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter. If Compliance Officer feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company, then he/she will discard the complaint with reasons recorded in writing.
- v) Within 7 (seven) working days of receipt of representation, the Compliance Officer shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he/she may deem expedient in this regard. During the course of such investigation, Compliance

Officer may call for such additional documents, representations, etc. as he/she may deem fit.

- vi) If no representation is received within the aforesaid stipulated time, the Compliance Officer shall issue notice to the complainant asking him to show-cause as to why the Company should not initiate disciplinary proceedings, as may be applicable, against him.
- vii) On completion of the preliminary investigation under point (v), receipt of reply to the show-cause notice issued under point 6 or on non-receipt thereof, Compliance Officer shall refer the matter to the Chairman of the Audit Committee, along with his/her opinion, for his consideration.
- viii) Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and shall actually convene the concerned meeting within a period of 45 days of receipt of opinion of Compliance Officer.
- ix) The Audit Committee shall consider the matter and put forward its recommendations to the Board. The Board, on receipt of such recommendation and, after due review, if forms an opinion that the person engaged or involved in leak of UPSI is guilty of leak of UPSI or suspected 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) (Amendment) Regulations, 2018 and any other statutory enactments, as may be applicable.
- x) The Company, Suo-moto, reserves the right of initiating an inquiry under this Policy against any Designated Person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.
- xi) Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other relevant legislation /law applicable to the Company, as amended from time to time.

7. Amendment

The Board of Directors of the Company, in line with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

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.

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