

## Manipal Health Enterprises Limited

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### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

#### I. INTRODUCTION

In accordance with Regulation 8 read with Schedule A of the Securities and Exchange Board of India (“SEBI”) (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), as amended, the Board of **Manipal Health Enterprises Limited** (“Company”), has adopted this ‘Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information’.

#### II. OBJECTIVE

The objective of the Code is to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the Company’s Securities, including the Unpublished Price Sensitive Information, and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations.

#### III. DEFINITIONS

- (i). **“Board”** shall mean the board of directors of the Company.
- (ii). **“Code”** means this Code of practices and procedures for fair disclosure of UPSI.
- (iii). **“Company”** shall mean Manipal Health Enterprises Limited
- (iv). **“Compliance Officer”** means Company Secretary or any senior officer, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the PIT Regulations, and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of UPSI, monitoring of trades and the implementation of the codes specified under the PIT Regulations under the overall supervision of the Board.
- (v). **“Connected Person”** shall have the meaning given to such term in the PIT Regulations.
- (vi). **“Designated Person”** shall have the meaning given to such term in the PIT Regulations.
- (vii). **“Insider”** means any person who is:
  - a connected person; or
  - in possession of or having access to Unpublished Price Sensitive

## Information

- (viii). “**Stock Exchange**” shall mean a recognised stock exchange on which the securities of the Company are listed.
- (ix). “**Unpublished Price Sensitive Information**” or “**UPSI**” shall have the meaning given to such term in the PIT Regulations.

All terms used but not defined herein shall have the meaning ascribed to such term under the PIT Regulations and the Code of Conduct for Prevention of Insider Trading of the Company formulated under Regulation 9 of the PIT Regulations (“**Insider Code**”). In case of any discrepancy between the PIT Regulations and the terms defined herein, the meaning as ascribed under the PIT Regulations, shall prevail.

#### **IV. CHIEF INVESTOR RELATIONS OFFICER (CIRO)**

- 1.1 For the purposes of this Code, the person shall act as the Chief Investor Relations Officer (“**CIRO**”) as appointed by Managing Director/ Chief Executive Officer/ Chief Finance Officer from time to time.
- 1.2 The CIRO would be responsible for:
  - (a) Ensuring uniform and universal dissemination of information and disclosure of UPSI at an appropriate time, to avoid selective disclosure;
  - (b) Ensuring compliance with the Code and intimating instances of violations of the Code to the Compliance Officer;
  - (c) Along with Compliance Officer, overseeing and monitoring sharing of information of the Company (including UPSI) by employees and educating employees on disclosure policies and procedures;
  - (d) reviewing the disclosure process and controls and ensuring that same are operating effectively for compliance with the Code and the PIT Regulations; and
  - (e) in discussion with the Board/ senior management, making an assessment of (i) materiality of information; (ii) updates, if any, required to be provided in respect of past disclosures; and (iii) the timing and adequacy of the proposed disclosures.
- 1.3 The CIRO shall strictly observe the timelines stipulated in terms of the SEBI regulatory framework with respect to prior intimations / notices / notifications and disclosures to ensure prompt disclosure of any UPSI that gets disclosed selectively / inadvertently.

#### **PURPOSE AND SCOPE**

#### **1.4 Prompt public disclosure of UPSI**

UPSI shall be disclosed to the Stock Exchanges by the CIRO or the Compliance Officer and disseminated promptly on a continuous basis as soon as credible and concrete information comes into being in order to make such information generally available. For the purposes of timely disclosures of UPSI and other material events, the Company shall follow the timelines as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **1.5 Uniform and Universal dissemination of UPSI to avoid selective disclosure**

The UPSI shall be disseminated uniformly and universally to all stakeholders through Stock Exchanges and by posting the same on official website of the Company. The Company shall use its best endeavors to avoid selective disclosure of UPSI. However, if any information gets disclosed selectively or inadvertently or otherwise, it should be brought to the notice of the CIRO, and such information shall be made generally available through dissemination of the same to Stock Exchanges and/or by posting the same on the official website of the Company as soon as practicable.

#### **1.6 Procedures for responding to any queries on news reports and/or requests for verification of market rumors by regulatory authorities**

- i. Appropriate, fair and prompt response shall be submitted to queries and/ or requests for verification of market rumors received from regulatory authorities or otherwise, in line with the applicable regulatory framework.
- ii. The CIRO shall, on receipt of requests as aforesaid, consult the CEO/ Whole-time Director/CFO and respond to the same without any delay.
- iii. Such replies shall be signed by the CIRO or in absence of CIRO, by the CFO or any other person as identified by the CIRO for the time being.
- iv. In case the query/request has been received from any Stock Exchange, a copy of such reply shall be sent to other stock exchange(s) also where equity shares of the Company are listed, if any, by the Compliance Officer.
- v. The CIRO alongwith Compliance Officer shall oversee all public disclosures by the Company. He/ she shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the appropriate disclosures in this regard.

#### **1.7 Timely reporting of shareholdings / ownership and changes in ownership**

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ownership of major shareholders and disclosure of changes in ownership as required under the Regulations and / or any other rules/regulations made under the Securities and Exchange Board of India Act, 1992 are made in a timely and adequate manner.

## **1.8 Procedures for Disclosure / dissemination of Information to analysts, Institutional Investors and research personnel**

- i. The Company will ensure that information shared with analysts, research personnel, and institutional personnel, as part of any engagement/ interaction with them, does not contain any UPSI. If any UPSI is shared with analysts, research personnel and institutional investors, the same should be simultaneously made public by way of disclosure to the Stock Exchanges as well as on the website of the Company.
- ii. The Company will also ensure that it has appropriate systems in place to record the transcripts of conference call(s) and meetings held between the management of the Company and the analysts and other investor relations conferences and disclose it to the Stock Exchanges and host it on the website of the Company, in line with the applicable regulatory framework.
- iii. Extra caution shall be taken while dealing with analysts' questions that raise issues outside the intended scope of discussion. Any unanticipated questions may be noted, and a considered response be given later in consultation with the CIRO. If the answer includes UPSI, a public announcement should be made before responding.
- iv. The Company shall develop best practices to make adequate disclosures on the official website to ensure that official confirmation and documentation of disclosures is made.

## **1.9 Handling of UPSI on a need-to-know basis**

- (i) UPSI shall be made available to relevant persons / entities strictly on a need-to-know basis, and in line with any other applicable codes, policies and procedures of the Company, including, specifically, this Code and the Insider Code.
- (ii) For sharing of UPSI within the Company or with external parties for genuine business purpose, appropriate wall-crossing procedure as stipulated in the Insider Code / this Code shall be followed. Further, all compliances in terms of the PIT Regulations will be duly observed.

## **2. POLICY FOR DETERMINATION OF 'LEGITIMATE PURPOSE'**

- 2.1 The PIT Regulations recognise that UPSI may be required to be shared or communicated for certain genuine purposes, i.e., legitimate purposes, performance of duties or discharge of legal obligations. The PIT Regulations clarify that 'Legitimate purpose' shall include sharing of UPSI in the ordinary course of business by an Insider with any person including but not limited to partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing of information is not done to evade or circumvent the prohibitions of the PIT Regulations.

- 2.2 The scope of ‘legitimate purpose’ under the PIT Regulations is an inclusive one, and accordingly, its determination would be a subjective assessment based on the facts and circumstance of each case. Thus, it is not possible or feasible to set out a list of events that will constitute ‘legitimate purpose’ at all times, for the purposes of sharing UPSI.
- 2.3 The following guiding principles may be followed while considering if UPSI is to be shared for ‘legitimate purpose’, in a given set of circumstances.

**A. Assessment of the purpose for which UPSI is proposed to be shared**

- (i) For this purpose, it will be critical to assess the circumstances requiring the sharing of UPSI, and whether the sharing of UPSI satisfies the below requirements:
- (a) Sharing of UPSI is in the best interest of the Company and is without any intention of making a profit/ avoiding a loss/ misusing the information in an illegal manner; and
  - (b) Sharing of UPSI is in furtherance of a genuine corporate/ business purpose, or, for enabling the Company to discharge its legal obligations, including compliance with law, regulatory directions, judicial orders, etc.
- (ii) Sharing of UPSI should not be carried out to evade or circumvent the prohibition provided under the PIT Regulations.
- (iii) Further, while deciding if sharing of UPSI is in furtherance of legitimate purpose, due regard shall be given to the matters affecting the Company at the relevant time, and the information that is generally available about the Company at the relevant time.
- (iv) In case UPSI is proposed to be shared for several purposes, each such purpose should be evaluated on its merits, in line with the above principles.

**B. Analysing the nature of UPSI proposed to be shared in the context of a legitimate purpose**

The nature and extent of UPSI proposed to be shared should be subject to appropriate evaluation, and assessment as to whether such sharing is commensurate with the objective sought to be achieved.

**C. Identifying the persons with whom UPSI is proposed to be shared**

In line with regulatory obligations, the Company should obtain the necessary details in relation to the persons (legal or natural) with whom UPSI is proposed to be shared, including, name, address, email, Permanent Account Number (“PAN”), or any other identifier authorised by law, where PAN is not available; and such other

documents as may be deemed fit. While dealing with legal entities, appropriate details of the individual representatives of such legal entities are to be obtained and maintained.

**D. Issue of Notice to the recipient of UPSI**

Prior to sharing of UPSI, the proposed recipient of UPSI will be apprised of the following critical aspects, by way of confidentiality agreements or non-disclosure agreements / written notices that:

- (i) the information being shared is UPSI and that the Company is the exclusive owner of such UPSI;
- (ii) upon receipt of UPSI, the recipient would be deemed to be an Insider and subject will be subject to the provisions of the PIT Regulations;
- (iii) the recipient may use the UPSI solely for the approved purposes for which it was disclosed;
- (iv) the recipient must maintain confidentiality of the UPSI at all times;
- (v) the recipient will provide a written undertaking that he / she / it shall not undertake trades in the securities of the Company while in possession of / having access to the UPSI;
- (vi) the recipient must extend all cooperation to the Company in this regard, including for the purpose of maintenance of the structured digital database; and
- (vii) the recipient, to the extent applicable, must also adopt a code of conduct in terms of Regulation 9 of the PIT Regulations, so as to inter alia ensure that it accords adequate protection to the UPSI, as prescribed.

**E. Structured Digital Database**

The Company will maintain a structured digital database in due compliance with the regulatory mandate, containing the nature of UPSI shared and names/details of recipients. Such database will have necessary controls such as time stamping and audit trails. This digital database should be preserved for a period of not less than eight years after completion of the relevant transactions.

**F. Illustrative list of instances considered as legitimate purpose**

- (i) In following cases which are illustrative in nature, sharing of UPSI would be considered as for Legitimate Purpose:
  - (a) For investigation, inquiry or request for information by statutory or governmental authorities.

- (b) Authorities or any other administrative body recognized by law; Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), stock exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.
  - (c) Under any proceedings or pursuant to any order of courts or tribunals; Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.
  - (d) As part of compliance with applicable laws, regulations, rules and requirements Example: company law, securities law, income tax law, banking law, etc.
  - (e) Sharing information with intermediaries and fiduciaries, such as, auditors, merchant bankers, law firms, management consultants, etc., for bona fide purpose and to avail advisory services, including, in respect of preparation of financial statements, strategic business requirements, etc.
  - (f) Assessing strategic alliances and opportunities, including through merger, amalgamation or restructuring of the Company.
  - (g) where information is required to be shared for *bona fide* business/ commercial/ operational/ management/ strategic advisory purposes pertaining to the Company, such as, when information is required to be shared with the promoters of the Company to leverage on their experience and expertise for strategic advice in improving the Company’s business, in order to create and maximise value for the shareholders of the Company.
- (ii) It is clarified that information may be shared by the Company, from time to time, in the ordinary course of its business activities with persons/ entities including, the fiduciaries, intermediaries, the advisers and service providers, viz., auditors, merchant bankers and legal advisers/ consultants of the Company, promoter of the Company, etc. in line with the aforementioned principles.

## **POLICY REVIEW AND AMENDMENTS**

2.4 The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s),

circular(s) etc. shall prevail upon the provisions hereunder.

- 2.5 This Code shall be published on official website of the Company. Further, this Code and every subsequent amendment made to the same shall be promptly intimated to the Stock Exchanges.

**V. EFFECTIVE DATE**

This policy will be effective from date of approval of the Draft Red Herring Prospectus by the Board.

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