



**NUCLEUS SOFTWARE EXPORTS LTD.**

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September 27, 2023

<b>The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex Bandra (E) Mumbai-400051. Fax Nos. 022-26598236/237/238</b>	<b>The Listing Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street Mumbai-400001 Fax No. 022-22722061/41/39</b>
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**Ref: Submission of the amended Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015**

Pursuant to Regulation 8(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company on September 27, 2023, has approved the amendments to the Company's Code of Conduct for Prevention of Insider Trading ('Code').

In compliance with the said regulations, kindly find enclosed herewith the amended Code for your record, and the same is also available on the website of the Company: [www.nucleussoftware.com/investors](http://www.nucleussoftware.com/investors)

This is for your information and records.

Thanking You

Yours Sincerely

**FOR NUCLEUS SOFTWARE EXPORTS LIMITED**

**(POONAM BHASIN)**

**COMPANY SECRETARY**

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**NUCLEUS  
SOFTWARE**

*CODE OF CONDUCT FOR  
PREVENTION OF INSIDER TRADING  
FOR EMPLOYEES OF NUCLEUS  
SOFTWARE EXPORTS LIMITED*

# Nucleus Software Code of Conduct for Prevention of Insider Trading

## A. Introduction

Securities and Exchange Board of India (“SEBI”) vide its Notification dated January 15, 2015, had issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide notification specifying the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof.

These Regulations require that every listed company to formulate a code of conduct to regulate, monitor and report trading by its designated person and immediate relatives of designated person towards achieving compliance with the Regulations, adopting minimum standards as set out in Schedule B of the Regulations, without diluting the provisions of the Regulations in any manner.

In the above context, Nucleus Software Exports Limited (the “Company”) has formulated this Code as a part of Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting by insider of the Company. This Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders will be known as “Nucleus Software Code of Conduct for Prevention of Insider Trading”.

## B. Definitions

- a. **“Act”** means the Securities and Exchange Board of India Act, 1992 as amended.
- b. **“Regulations”** means the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- c. **“Code”** means the Nucleus Software Code of Conduct for Prevention of Insider Trading.
- d. **“Company”** means Nucleus Software Exports Limited.
- e. **“Board”** means Board of Directors of the Company.
- f. **“Compliance Officer”** means Company Secretary or any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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 this code under the overall supervision of the board of directors of the Company.

g. **“Connected Persons”** means: -

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) The persons falling within the following categories shall be deemed to be connected persons, unless the contrary is established -

1. an immediate relative of connected persons specified in clause (i); or
2. a holding company or associate company or subsidiary company; or
3. an intermediary as specified in Section 12 of the Act or an employee or Director thereof; or
4. an investment company, trustee company, asset management company or an employee or Director thereof; or
5. an official of a stock exchange or of clearing house or corporation; or
6. a member of Board of trustees of a mutual fund or a member of the Board of Directors of the asset management company of a mutual fund or is an employee thereof; or
7. a member of the Board of Directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
8. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
9. a banker of the Company; or
10. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a Director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
11. Persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operation, would also be connected persons since they would have access to or could access unpublished price sensitive information about the Company by virtue of any connection that would put them in possession of unpublished price sensitive information.

h. **“Designated Persons”** means persons covered as such on the basis of their role and function in the Company and include the following:

- (i) All Directors on the Board.
- (ii) All KMPs (Key Managerial Persons as defined under the Companies Act, 2013).
- (iii) Promoters and Person Acting in Concert
- (iv) Internal Auditors, Statutory Auditors, Secretarial Auditors, of the Company.

- (v) All employees of Nucleus group in Finance & Accounts, Legal Department
- (vi) All Senior Managerial Personnel, two level below CEO irrespective of their role or function.
- (vii) Executive Secretaries of Executive Directors and KMP
- (viii) Any other person who on the basis of their role and function in the Company, is reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, as may be decided by the Chairman/Managing Director/Whole-Time Director/Joint Managing Director/Compliance Officer, from time to time.

Designated Persons of Nucleus Group shall be governed by this code of conduct governing dealing in securities.

i. **Generally available Information**" means information that is accessible to the public on a non-discriminatory basis.

j. **"Immediate Relative"** means spouse of a person and includes parents, sibling/s and children 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.

k. **Other Relative means:**

For Initial disclosure:

1. Father
2. Mother (including step-mother)
3. Spouse (Husband/ Wife)
4. Son (including step-son)
5. Son's wife
6. Daughter (including step-daughter)
7. Father's father
8. Father's mother
9. Mother's mother
10. Mother's father
11. Son's son
12. Son's son's wife
13. Son's daughter
14. Son's daughter's husband
15. Daughter's husband
16. Daughter's son
17. Daughter's son's wife
18. Daughter's daughter
19. Daughter's daughter's husband
20. Brother (including step-brother)
21. Brother's wife
22. Sister (including step sister)
23. Sister's husband
24. Any one Dependent

- I. **"Insider"** means any person who is:
- (i) a connected person; or
  - (ii) in possession of or having access to unpublished price sensitive information.

Further, any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of this Code.

**"Legitimate purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other adviser(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- m. **"Key Managerial Person"** means as defined in Section 2(51) of the Companies Act, 2013.
- n. **"Need to know"** basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- o. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- p. **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- q. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
- r. **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- s. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- t. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- u. **"Unpublished Price Sensitive Information"** (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:
- (i) financial results.
  - (ii) dividends.
  - (iii) change in capital structure.
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions.

- (v) changes in key managerial personnel; and

The above is only an illustrative list and there might be other instances in relation to which certain unpublished information, upon becoming public, might materially affect the price of securities of the Company.

*“Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and Rules and Regulations made thereunder shall have the meanings respectively assigned to them in those legislation.”*

### **C. Applicability**

The following persons shall be covered under this Code of Conduct for Prevention of Insider Trading (**“Code of Conduct/Code”**):

- a) Designated Persons.
- b) Connected Persons.

### **D. Role of Compliance Officer**

The Company Secretary is the designated Compliance Officer of the Company. The Compliance officer role shall include:

- i. Setting forth policies, procedures, monitoring adherence to the rules for the preservation of ‘Unpublished Price-Sensitive Information’, ‘Pre-Clearing of trade of ‘Designated Persons’ and their immediate relative in consultation /approval of the CFO/Managing Director/Executive Director/ Board of Directors, and monitoring of trades and the implementation of the Code under the overall supervision of the Board of the Company.
- ii. The Compliance Officer shall report on insider trading to the Board and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board at such frequency as may be stipulated by the Board.
- iii. The Compliance Officer shall assist all employees in addressing any issues regarding the Regulations and the Code.
- iv. The Compliance Officer is empowered to grant relaxation from strict application of restriction of entering into contra-trade by Designated Persons within the next six months of a trading; for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. If a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- v. The Compliance Officer shall do all such things as provided in the SEBI Insider Trading Regulations as may be prescribed by SEBI from time to time.

In the absence of the Compliance Officer for any reason, any senior officer, reporting to the Board or the CMD, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations, shall carry out the responsibilities of the Compliance Officer as required under this Code, and the Regulations.

#### **E. Restrictions on Communication and Trading by Insiders**

- i. No Insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or its securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Explanation – For the purpose of illustration, the term “**legitimate purpose**” shall include sharing of unpublished price sensitive information 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.

- ii. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or its securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

#### **F. Digital Database**

1. The Board shall insure and shall authorize Compliance officer to maintain digital database with time stamping and audit trails to ensure non tampering of the data base containing following information:
  - a. Name and PAN of the person/entity (ies) with whom information is shared pursuant to Legitimate purposes.
2. Designated persons shall be required to disclose names and Permanent Account Number, or any other identifier authorized by law of the following persons to the Compliance officer, on an annual basis and as and when the information changes
  - a. Designated person
  - b. Immediate relatives
  - c. Persons with whom such designated person(s) shares a material financial relationship\*

Designated persons also need to disclose the Phone, mobile and cell numbers which are used by above mentioned persons.



In addition, the names of educational institutions from which Designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

**\* Explanation:** The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

#### **G. Trading when in possession of Unpublished Price Sensitive Information**

- i. No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of Unpublished Price Sensitive Information (UPSI).

Explanation –When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) the transaction is an off-market *inter-se* transfer between [insiders] who were in possession of the same unpublished price sensitive information and both parties had made a conscious and informed trade decision.
- (ii) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

All files and documents containing any UPSI shall be kept secure by the concerned employees. All computer files shall have adequate security of login and password etc.

UPSI may be communicated, provided, allowed access to or be procured, in connection with a transaction which entails:

<b>Open Offer Obligation under Takeover Code</b>	Where the Board is of the informed opinion that the proposed transaction is in the best interest of the Company.
<b>No Open Offer Obligation under Takeover Code</b>	Where the Board is of the informed opinion that the proposed transaction is in the best interest of the Company and Information that constitutes UPSI is disseminated to be made generally available at least 2 trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

- ii. However, the Board shall require the parties to execute agreements to contract confidentiality and nondisclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

## **H. Trading Restrictions**

All Designated persons shall be subject to trading restrictions as enumerated below:

### **i. Trading Window**

1. The period prior to declaration of UPSI is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Designated Person will, during that period, often possess UPSI.
2. Designated Persons and their immediate relatives shall not trade in securities of the Company during closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited.
3. The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.
4. The Company shall specify a trading period, to be called "Trading Window", for trading in the Company's Securities. Dealing in the securities of the Company shall be in the valid trading period only. No dealing shall be done when the trading window is closed, a notice of which shall be issued from time to time by the Management.

*In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.*

- a. The trading window shall be closed for such other period of time as may be decided by the Management from time to time and intimated by the Compliance Officer.
- b. The Compliance Officer shall intimate the closure of trading window to all the Designated Persons of the Company when he determines that a Designated Person or a class of Designated Persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
- c. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

**d. The trading window shall be closed from the date the notice is sent to stock exchanges by the Company, for any of the following:**

- I. Declaration of dividends (interim and final).
- II. Issue of shares by way of public/rights/bonus etc.
- III. Any major expansion plans or execution of new projects.
- IV. Amalgamation, mergers, takeovers and buy-back.
- V. Disposal of whole or substantially whole of undertaking.
  
- VI. Any other event which can impact the price of securities of the Company as may be decided by the Management from time to time and intimated by the Compliance Officer.

The trading window shall always be closed for Declaration of Financial results (quarterly, half-yearly and annual) from three weeks prior to the date of any Board meeting. Also, no Designated Person shall trade in Company securities for more than 10% of his/her holding (cumulative trade) or for a transaction value of Rs. 100,000, whichever is higher during a period of two weeks prior to the date of the window closure for declaration of financial results.

For instances where the Company has made a disclosure of dates for trading window closure periods in advance (e.g., Board meeting dates for declaration of financial results for a year); no Designated Person shall trade in Company securities for more than 10% of his/her holding (cumulative trade) or for a transaction value of Rs. 100,000, whichever is higher during a period of two weeks prior to the date of the window closure.

The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window. However, in any event, it shall not be earlier than forty-eight hours after the information becomes generally available/conclusion of Board meeting.

**I. Institutional Mechanism for Prevention of Insider Trading**

The Managing Director or CEO or the authorized official shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in SEBI's Prohibition of Insider Trading Regulations to prevent insider trading.

The internal controls shall include the following: -

- i. All the unpublished price sensitive information shall be identified, and its confidentiality shall be maintained as per the requirements of SEBI's Prohibition of Insider Trading Regulations.
- ii. Adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations.

- iii. All employees and other persons with whom unpublished price sensitive information is shared with, shall be required to ensure the compliance of SEBI's Prohibition of Insider Trading Regulations.
- iv. All employees who have access to unpublished price sensitive information are identified as designated employee.
- v. Maintaining lists of all employees and other persons with whom unpublished price sensitive information is shared and confidentiality agreements shall be signed, or notice shall be served to all such employees and persons.
- vi. Periodic process review to evaluate effectiveness of such internal controls.

The Audit Committee shall review compliance with the provisions of SEBI's Prohibition of Insider Trading Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

## **J. Trading and Pre-clearance of trade**

### **i. Trading Plan**

1. An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
2. Such Trading Plan shall:
  - a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan.
  - b. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results.
  - c. entail trading for a period of not less than twelve months.
  - d. not entail overlap of any period for which another trading plan is already in existence.
  - e. set out either the value of trades to be affected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
  - f. not entail trading in securities for market abuse.
3. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he/she shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.
4. The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of SEBI regulations and the Codes and shall seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

5. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. However, implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.
6. Further, the Insider shall also not be allowed to deal in securities of the Company, if date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.
7. Further pre - clearance of trades shall not be required for a trade executed as per an approved trading plan.
8. Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan .
9. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

**ii. Procedure for Pre- Clearance**

The procedure shall be hereunder:

- (a) An application shall be made in the prescribed Form D and submitted to the Compliance officer by the Designated Person with a declaration that the Designated Person is not in possession of any UPSI and the Compliance officer shall consider whether any such declaration is reasonably capable of being rendered inaccurate.
- (b) An undertaking shall also be executed in favour of the Company by such Designated Person.  
  
All Designated Persons shall execute their trades, which have been pre-cleared, within seven trading days from the date of approval of pre-clearance
- (c) If the trade is not executed within seven days after the approval is given, the Designated Person will have to pre-clear the transaction again.
- (d) The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed.

- (e) A Designated Person, who is permitted to trade, shall not execute a contra Trade i.e. sell or buy securities, during the next six months following the prior transaction.
- (f) All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.
- (g) All Designated Persons shall get the **pre-clearance** of the intended trading (Buying/Selling) above a threshold limit of 2,500 shares or Rs. 500,000 whichever is lower (whether traded in one or more tranches within Thirty consecutive days or less) and the approval shall be given by the Compliance Officer and others as per limits specified below. The CEO and Managing Director shall get **pre-clearance** of his/her intended trading above the threshold limit stated above.

No. of Shares	Value of Shares (In Rs.)	Approval by
2,500 to 5,000 shares	5 Lacs to 20 Lacs	Chief Financial Officer Compliance and Officer
5,001 to 50,000 shares	More than 20 Lacs till 1.5 Crore	CEO and Managing Director
Above 50,000 shares	More than Rs. 1.5 Crore	Board of Directors

- (h) In case of subscription in the primary market (Further public offers), the holding period would commence when the securities are actually allotted. All Designated Persons shall hold the securities of the Company for a minimum period of 30 days from the date of purchase ('Minimum Holding Period').
- (i) In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer or President & Managing Director, as the case may be after recording the reasons in writing. However, no such sale will be permitted when the Trading window is closed.
- (j) The Compliance Officer shall advice regarding Pre-Clearance In case of doubt, Insiders shall be responsible to check with the Compliance Officer or one of the contact persons designated by the Compliance Officer, if any, from time to time, whether this clause of pre clearance is applicable to any particular proposed transaction in the Securities.

## **K. Dealing in Case of Suspected Leak or Leak of Unpublished Price Sensitive Information (UPSI)**

### **1. Inquiry for Leakage of UPSI**

All UPSI shall be handled on a need-to-know basis only. In case of any UPSI is proposed to be provided, the person proposing to provide the information shall consult Chief Financial Officer/Company Secretary /Managing Director in advance.

In case any UPSI is leaked or is suspected to be leaked by any insider, Chief Financial Officer/ Company Secretary along with CEO will investigate the matter and collect / gather the evidence and will discuss the findings and report, with the Managing Director. The Managing Director on review of the report, will submit the same to the Audit Committee Chairman.

## **2. Process for inquiry**

All the matters concerning leak of UPSI or suspected leak of UPSI, will be thoroughly investigated by Chief Financial Officer/ Company Secretary along with CEO. Such Chief Financial Officer/ Company Secretary may at their discretion, consider involving external investigators for the purpose of the investigation.

The Chief Financial Officer/ Company Secretary along with CEO, may ask the concerned insider to remain present for investigation, discussion etc. and for such investigation task, the team may ask for personal bank account statement or such other details or documents as it may be required for the purpose. Adequate opportunity will also be given to the insider for placing the facts.

## **3. Report to Audit Committee for appropriate action**

The Chief Financial Officer/ Company Secretary along with CEO will investigate the matter and collect / gather the evidence and will discuss the findings and report, with the Managing Director. The Managing Director on review of the report, will submit the same to the Audit Committee Chairman.

The Audit Committee Chairman shall place the Report at the Audit Committee meeting for discussion. Based on such report, the Audit Committee shall decide the suitable action including but not limited to withholding of salary / termination of employment / monetary penalty.

## **L. Chinese Walls**

1. The Compliance Officer shall monitor and regulate the Company's Chinese walls and Cross the wall procedures. Chinese Walls shall be used to separate areas that have access to Unpublished Price Sensitive Information ("**Insider Areas**") from those who do not have such access ("**Public Areas**") within the Company
2. Where Chinese Walls arrangements are in place Designated Persons working within an Insider Area are prohibited from communicating any Confidential or Unpublished Price Sensitive Information to Designated Persons or any other person in Public Areas without the prior approval of the Compliance Officer. The establishment of Chinese Walls does not suggest or imply that Unpublished Price Sensitive Information can circulate freely within Insider Areas.
3. Designated Persons within a Chinese Wall have a responsibility to ensure that Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.

4. A Designated Person may cross the Chinese Wall to enter the Insider Areas only with the prior approval of the Compliance Officer and would be subject to all restrictions that apply to such areas. While 'crossing the wall' or 'bringing inside the wall' the Designated Persons should make the person aware of the duties and responsibilities attached to the receipt of Unpublished Price Sensitive Information and the liability that attaches to misuse or unwarranted use of such information.

### M. Reporting requirements for transactions in securities

The disclosures to be made by any person as per the below requirements shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

DISCLOSURE	Who is required to make disclosures and to Whom	Disclosure required to be made	Time-period within which disclosure to be made	Forms
INITIAL DISCLOSURES	<b>Upon</b> appointment as : <ul style="list-style-type: none"> <li>• key managerial personnel (KMP)</li> <li>• a Director</li> <li>• a Promoter or member of the promoter group</li> <li>• a Designated Person</li> </ul>	Holding of securities of the Company, including the statement of holdings of immediate relatives (mentioned for Annual disclosure) and details of immediate relatives (mentioned for Initial disclosure)	within seven days of such appointment or becoming a promoter, director or KMP.	Form A and Form B as mentioned in SEBI (PIT) Regulations.
CONTINUAL DISCLOSURE	<ul style="list-style-type: none"> <li>• Promoter or member of the promoter group</li> <li>• Director</li> <li>• Designated Person</li> </ul>	Number of securities acquired or disposed of in case the value of securities traded, whether in one day or a series of transactions over a calendar quarter, aggregates to a <b>traded value in excess of Rupees Ten Lakhs</b> or such other value as may be specified.	Within 2 trading days of such transaction.	Form C of SEBI (PIT) Regulations



<b>DISCLOSURE TO BE MADE BY THE COMPANY</b>	Company required to notify the stock exchange	In case the value of securities traded by a promoter, member of promoter group or Director, whether in one day or a series of transactions over a calendar quarter, aggregates to a traded value in excess of Rupees Ten Lakhs or such other value as may be specified.	Within 2 trading days of receipt of the disclosure or from becoming aware of such information.	
<b>ANNUAL DISCLOSURES</b>	All Designated Person	A statement of holdings, annually; disclosing the total number of shares held and positions held in derivatives, by themselves and their dependents during the period, along with details of shares and derivatives transacted by self/ dependents	within 60 days from close of a financial year	

- I. The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors / Officers / Designated Persons for a minimum period of five years.
- II. All Designated persons, including Directors, shall furnish an undertaking upon joining to the Company that they have not and will not communicate, counsel or procure any unpublished price sensitive information to / from any person.

#### **N. Penalty for contravention of the Code of Conduct**

- i. Every Person to whom the Code is applicable shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- ii. Every Person to whom the Code is applicable who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- iii. Every Person to whom the Code is applicable who violates the Code shall also be subject to disciplinary action by the Company, as deemed appropriate, including wage freeze, suspension, recovery, claw back, in-eligibility for future participation in ESOPs, fine of up to 25% of the total transaction value in question etc.
- iv. The Compliance officer shall be responsible to inform the SEBI or Appropriate Authority about the violation of the provisions of Code of Conduct as per applicable provisions of Act/regulations

- v. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, which includes profits from such trade shall be liable for a transfer to the credit to the Investor Protection and Education Fund administered by SEBI.
- vi. Retaliation for reporting suspected violations is strictly prohibited under this Code. Employee who files a Voluntary Information Disclosure Form or who reports any alleged violations of insider trading laws, irrespective of whether the information is considered or rejected by the SEBI, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

In the event of any amendment in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time or issuance of any clarification relating to prohibition of insider trading, such amendment/clarification shall be deemed to be adopted by the Company and in case of any conflict between the provisions of the Code and SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time, the latter shall prevail.

The provisions of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 shall be complied with in addition to the provisions of the said Insider Trading Code.

#### **O. Disclaimer**

This policy is only internal code of conduct and one of the measures to avoid insider trading. Every Designated/ Connected Person is required to familiarize himself with the SEBI regulation as it will be the responsibility of each Designated/ Connected Person to ensure compliance of this code, SEBI regulation and other related statutes fully.

#### **P. Code of Fair Disclosure of Unpublished Price Sensitive Information**

*(As per Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015)*

A Code of practices and procedures for fair disclosure of unpublished price sensitive information has been set out as below for adhering to each of the principles:

- I. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- II. The Company shall ensure uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
- III. For the purpose of this Code, the Compliance Officer of the Company shall act as the Chief Investor Relations Officer for dealing with dissemination of information and disclosure of UPSI. iv. The Company shall promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

- IV. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- V. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- VI. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- VII. The Company shall handle of all unpublished price sensitive information on a need-to-know basis.

In line with clause 2A of Regulations 3 of SEBI PIT Regulations and any modification(s)/ amendment(s) thereto, Policy for determination of legitimate purposes is as under:

- a. "Legitimate purpose" shall mean Sharing of unpublished price sensitive information in the course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, professionals, other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the SEBI PIT Regulations.
- b. Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an "insider" for purposes of the SEBI PIT Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him /her, in compliance with the SEBI PIT Regulations.
- c. Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion acquisition in the stake of other entities, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

This Code shall be published on the web site of the Company [www.nucleussoftware.com](http://www.nucleussoftware.com). This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.

**Q. This Code is at the discretion of the Board of Directors of the Company, and they reserve the right to change the terms and conditions of the same.**

In case of any amendment(s), clarification(s), circular(s)etc. issued by the relevant authorities not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions here under and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**FORM D**

**APPLICATION FOR PRE-CLEARANCE OF TRADE AND UNDERTAKING**

*(For use by Designated Persons in case of trading in the securities of Company above a threshold limit of 2,500 shares or Rs. 500,000 whichever is lower)*

To,

**The Compliance Officer  
Nucleus Software Exports Limited**

Dear Sir/Madam,

**Sub: Pre clearance of trades**

Pursuant to the Nucleus Software Code of Conduct for Prevention of Insider Trading, I seek approval to purchase / sale of .....equity shares of the Company as per details given below:

No. of shares of Nucleus Software Exports Ltd.	Market Price	Mode of acquisition Purchase/ Sale physical/ Demat/ other	Date by which trade is proposed to be executed	Folio No./ DP ID No./Client ID No. along with the name of depository	Present Holding (No. of Shares)	
					Physical	Demat

**Further I undertake and declare that:**

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_ securities of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not under.

**Signature**

**Name :**

**Date :**