

Tera Software Limited
Insider Trading Caution Notice

[For information of Directors, Employees and Connected Persons who deal/ want to deal in Shares of the Company as per SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. Dealing in Shares of the Company: General

1.1 Dealing (purchase / sale / subscribing) in shares of the Company by Directors, Promoters, Employees and their immediate relatives are subject to compliance of applicable laws and regulations, including **SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations); Insider Trading Code of TERA and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.**

1.2 Every Directors, Promoters and Employees **must consult and take prior clearance** from Company Secretary / Compliance Officer before dealing in shares of the Company **either by himself or by his/her immediate relatives**. There are **reporting and disclosure** requirements before and after dealing in shares of the Company under above regulations and Code of Conduct framed under above regulations and every employee must familiarize themselves with them.

2. Dealing in Shares of the Company: Brief on Regulatory Aspect

2.1 No employee or insider shall deal in shares of the company, while in possession of Unpublished Price Sensitive Information (UPSI) or during the closure of ‘**Trading Window**’.

2.2 Unpublished Price Sensitive Information (“UPSI”) means any information, relating to a Company or its securities, directly or indirectly, that is not generally available to public, which upon becoming generally available, is likely to materially affect the price of securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:

- a. Financial results;
- b. Buyback of securities
- c. Voluntary delisting by the listed entity from the stock exchange(s);
- d. Fund raising by way of further public offer, rights issue, American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price
- e. Dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend
- f. Declaration of bonus securities

2.3 In respect of declaration of financial results, the **Trading Window** shall remain closed from the end of every quarter till 48 hours of declaration of financial results. Broadly speaking the Trading window shall be closed between:

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| a) Start Date: 1 st April | End Date: 30 th May + 48Hrs |
| b) Start Date: 1 st July | End Date: 14 th August + 48Hrs |
| c) Start Date: 1 st October to | End Date: 14 th November + 48Hrs |
| d) Start Date: 1 st January | End Date: 14 th February. + 48Hrs |

The actual End Date will be the date of Board Meeting.

2.4 In other cases from point no (b) to (f), trading window shall remain close for two days (excluding the date of intimation and date of meeting) and 11 working days in case matter related to alteration in i) Securities ;ii) date of interest or redemption of Debenture/bond as per LODR Regulation 29(3) (a) ,(b). The prior intimation about closure of Trading Window is separately communicated through mail and/or notices.

2.5 Along with the Director, Promoter and Employee, **immediate relatives** of employees are also subject to the above regulations while dealing in shares of the Company and concerned

Director/Promotor/Employee must consult and take prior clearance from Company Secretary/ Compliance Officer and he will be liable for applicable reporting and disclosure compliances.

2.6 Immediate relatives means:

- spouse (wife / husband) of a person (Director / employee);
- parent (father-mother), sibling (brother-sister) and child (son-daughter) 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.

2.7 NO OPPOSITE TRANSACTION IN NEXT 6 MONTHS: No director, employee or insider shall within six (6) months of buying or selling any number of Securities of the Company, enter into an opposite transaction i.e. sell or buy, as the case may be, any number of the Securities of the Company.

3. Prohibition of Insider Trading: Brief on Regulatory Aspect

3.1 Insider trading means trading in securities of a company by its Directors, Employees, or other Insiders (Connected Person or a person in possession of or having access to UPSI) while in possession of Unpublished Price Sensitive Information (UPSI). Such trading by Insiders erodes the investors' confidence and is unhealthy for the capital markets.

3.2 The Regulations not only regulate trading by insiders but also seek to prohibit insider trading. The relevant extract of Regulations 3(1), 3(2), 4(1) of the Regulations, which prohibit insider trading, is quoted below:

“Regulation 3(1): No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or 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.”

“Regulation 3(2): No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.”

“Regulation 4(1): 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....”

4. Penalty for Insider Trading

4.1 Under SEBI Act and Regulations (extracts)

4.1.1 Every Director, Promoter, Employee and insider shall be individually responsible for complying with the applicable provisions (including to the extent the provisions hereof are applicable to their Immediate Relatives).

4.1.2 Under Section 15G of the SEBI Act, 1992 any Insider who indulges in insider trading in contravention of *Regulation 3* is liable to a penalty which shall not be less than **₹ 10 lakhs (Ten Lakh Rupees) but which may extend to ₹ 25 crores (Twenty Five Crore Rupees) or three times the amount of profits made out of insider trading**, whichever is higher. Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten (10) years or with fine which may extend to ₹ 25 crores (Twenty-Five Crore Rupees) or with both. Further, in case any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one (1) month but which may extend to ten (10) years, or with fine, which may extend to ₹ 25 crores (Twenty Five Crore Rupees) or with both.