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Dear Compliance Professional,

Warm Greetings from Naapbooks Limited!

We thank you for giving us the opportunity to present our proposal. We're pleased to introduce our flagship compliance software product **InsiderQ**, built to help listed entities, intermediaries, and fiduciaries seamlessly comply with SEBI Prohibition of Insider Trading Regulations, 2015 under related clauses.

Legal Background:

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| Regulation 3(5) Structured Digital Database Compliance | The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. |
| Regulation 3(6) Data Maintenance Period | The board of directors or head(s) of the organisation of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings. |
| Regulation 9A(1) Mechanism for Prevention of Insider Trading | Institutional Mechanism for Prevention of Insider trading 9A. The Chief Executive Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading. |

Frequently Asked Questions

1. What is SDD Software, and why is it important for UPSI management?

SDD (Structured Digital Database) is a software mandated by SEBI to maintain a secure, tamper-proof record of Unpublished Price Sensitive Information (UPSI). It helps prevent insider trading by tracking the flow of sensitive information and ensuring compliance with SEBI regulations.

2. Are Intermediaries and Fiduciaries required to maintain SDD Software?

Yes, As per Regulation 3(5) and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, every person is required to manage UPSI, including intermediaries and fiduciaries, must maintain an internal Structured Digital Database.

3. Is it mandatory for listed companies in India to use SDD software?

Yes, under Regulation 3(5) of SEBI's Prohibition of Insider Trading Regulations, 2015, all listed companies must maintain an electronic Structured Digital Database to record the sharing of UPSI.

4. How does SDD software ensure data security?

SDD software employs encryption, access controls, and time-stamping to ensure that sensitive data is secure, non-tamperable, and accessible only to authorized personnel.

5. Can SDD software integrate with other systems in my organization?

No, InsiderQ SDD cannot integrate with other systems to ensure complete privacy over data.

6. Who can access or make entries in the SDD?

Access rights are restricted to designated personnel authorized by the company or any Intermediaries & Fiduciaries who are in contact and are aware of any price sensitive information of the company.

Frequently Asked Questions

7. What are the consequences of non-compliance with SEBI's SDD requirements?

Non-compliance can lead to legal penalties, reputational damage, and sanctions by SEBI. It may also expose the organization to risks of insider trading and financial losses.

8. How long must data be retained in an SDD?

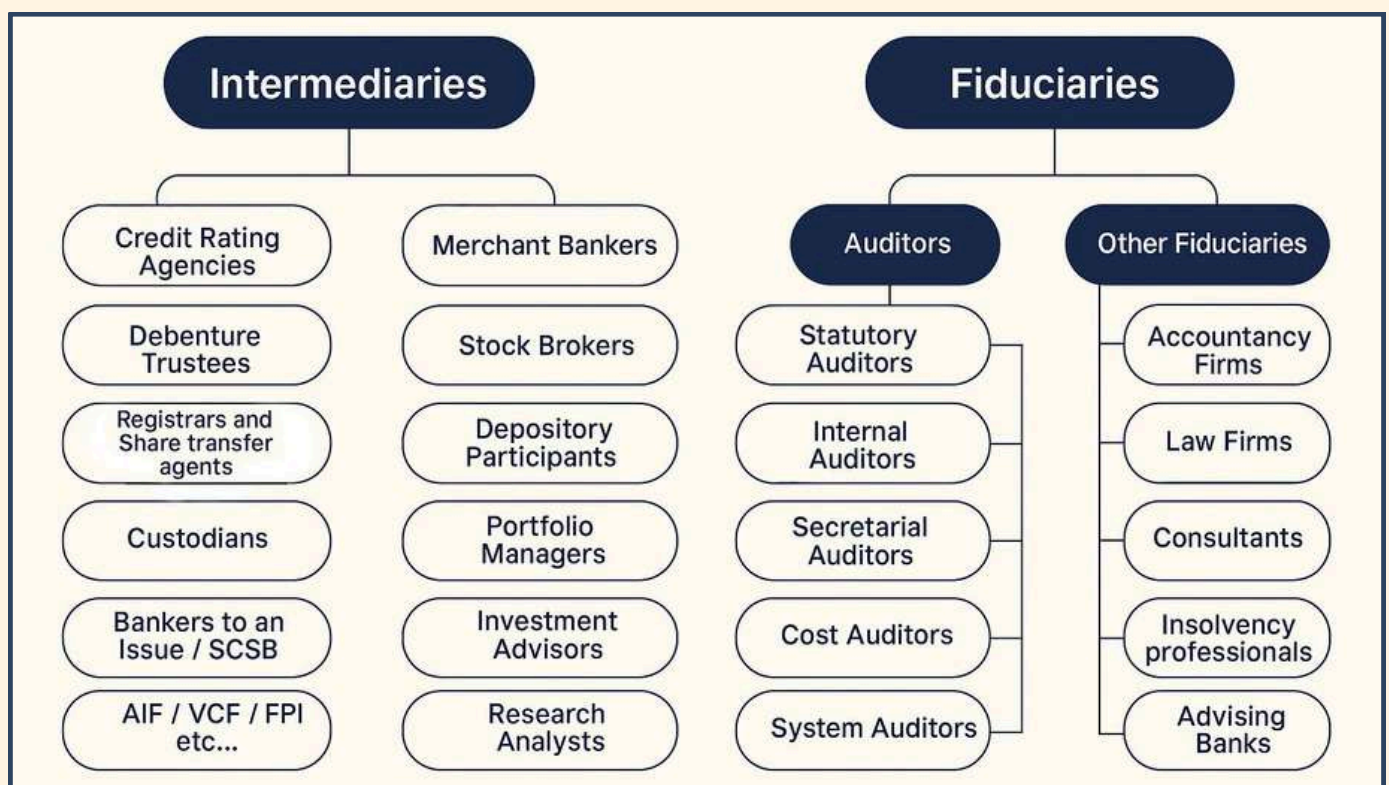
SEBI regulations mandate that data in the SDD must be preserved for at least eight years after the completion of relevant transactions or investigations.

9. Can SDDs be maintained on cloud servers?

While SEBI does not explicitly prohibit cloud servers, companies must ensure that the database is secure, tamper-proof, and accessible only to authorized personnel. Responsibility lies with the board of directors and compliance officers.

Intermediaries & Fiduciaries

Who are required to maintain SDD



Entry in SDD Software of Listed Company

| | |
|---|--|
| Listed Company (A) has appointed a Law firm or Merchant Banker (B) in respect of fundraising activity and (C) from the listed company has shared the said UPSI with (D) of the Law firm or Merchant Banker. | Entry in SDD Software of X will be with the following information along with their PAN or other unique identifier (in case PAN is not available) |
|---|--|

Entry in SDD Software of Intermediary or Fiduciary

| | |
|---|--|
| The I&F shall in turn maintain another structured digital database internally capturing the nature of UPSI received/shared. | Entry in SDD Software of A will be with the following information along with their PAN or other unique identifier (in case PAN is not available) |
|---|--|

If an Intermediary or Fiduciary shares the information with any individual or entity, the details of such sharing must be recorded in the SDD (Structured Digital Database) software, clearly capturing the nature of the UPSI (Unpublished Price Sensitive Information) shared and the identity of the recipients.

We believe that the core concept is that any recipient of Unpublished Price Sensitive Information (UPSI) must be recorded at least through a one-time entry in the SDD (Structured Digital Database) maintained by the Listed Company, Intermediary, and Fiduciary, as applicable. This entry should capture the nature of the UPSI, the details of the individuals or entities with whom the information is shared (including their PAN or other unique identifiers), and the details of the person who shared the information.

As part of our Supply Chain Code of Conduct Initiative, InsiderQ and its affiliated entities require all associated third parties to strictly adhere to the principles outlined belows

The Supplier shall conduct all business dealings ethically and in full compliance with applicable local laws and regulations. InsiderQ maintains a zero-tolerance policy towards any form of bribery or corruption.

All suppliers, intermediaries, and fiduciaries are encouraged to proactively report any actual or suspected violations or concealment of prohibited acts, including but not limited to:

- i. Anti-bribery and corruption
- ii. Unfair business practices
- iii. Conflicts of interest
- iv. Gifts and gratuities
- v. Data privacy and information security

Further, listed companies generally follow the practice of obtaining periodic undertakings for the evaluation of service providers through an evaluation matrix. As part of this process, your intermediary/fiduciary firm is required to confirm, Inter alias, compliance with the following, among other criteria.

Our Offering

Our flagship software product, InsiderQ is built to help organizations seamlessly comply with Regulations 3(5), 3(6), and 9A (1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

InsiderQ enables companies to digitally maintain a structured archive of unpublished price-sensitive information (UPSI) and the details of persons with whom such information is shared, ensuring compliance with data recording obligations under the regulations. It also supports the establishment of internal control systems as mandated under Regulation 9A (1), while providing tools to monitor and manage insider trading compliance by maintaining updated records of PANs and Demat account numbers of designated persons.

Additionally, InsiderQ generates a range of reports required for internal audits and regulatory submissions, thereby simplifying compliance and enhancing transparency. Relevant resources and documentation are available to help users better understand both the product and applicable regulatory requirements.

Important Links & Annexures



Presentation of InsiderQ



User Manual of InsiderQ



InsiderQ Demo Video



FAQs on SEBI PIT Regulations



**Amendments to
SEBI PIT Regulations**



**Last amendment on
August 5, 2021**



Naapbooks Limited is a pioneer in driving digital transformation in the financial services and e-governance sectors. As the 1st startup from Gujarat to be listed on the BSE, we are dedicated to simplifying complex processes through innovative technology.

Our prestigious certifications, including **CMMI Level 3**, **ISO 9001**, and **ISO 27001**, highlight our commitment to quality, security, and continuous improvement. With a diverse portfolio spanning ERP systems, financial management solutions, and e-governance platforms, we are at the forefront of providing cutting-edge solutions.

Our Clients



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