



POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

INTRODUCTION:

This Policy is formulated as per requirement of Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. As per SEBI (Prohibition of Insider Trading) Regulations, 2015, unpublished price sensitive information (UPSI) relating to the Company or shares listed with the stock exchanges, shall not be communicated to any person, including insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

The newly inserted Regulation 9A(5) mandates formation of written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

This Policy is adopted by the Board of Directors in its meeting dated 28th March, 2019 and shall be made effective from April 1, 2019.

POLICIES AND PROCEDURES:

As per the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI); already formulated by the Company, all unpublished price sensitive information is dealt with confidentiality and all efforts are made to ensure that unpublished price sensitive information is not leaked out to any one including insiders without any legitimate purpose, until and unless it is made public.

OBJECTIVES:

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- (iii) To have a uniform code to curb the unethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.



- (iv) To initiate Enquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (“SEBI”) promptly.
- (v) To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

SCOPE:

The Company endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or unknown person(s) with any unauthorized person which affects the market price of the Company as well as causes loss of reputation and investors’ / financiers’ confidence in the Company..

DEFINITIONS:

Audit Committee shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board shall mean the Board of Directors of Adhunik Industries Limited.

Company means Adhunik Industries Limited.

Compliance Officer for the purpose of this code means the Chief Financial Officer (CFO) of the Company. In absence of the CFO, the Board of Directors may authorize such other officers of the Company to discharge the duties of Compliance Officer under the regulations.

Designated Persons shall cover all employees whether contractual or otherwise, persons / entities stated under Regulation 9(4) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and other connected persons as defined under Regulation 2(d) of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Immediate relative shall include persons defined under Regulation 2(f) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Leak of UPSI shall refer to such act / circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person, association, body, firm,



agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof. Leak of UPSI shall further mean communication of information which is / shall be UPSI by any Insider, Employee & Designated Persons or any other known or unknown person, to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

Support Staff shall include IT staff or secretarial staffs who have access to unpublished price sensitive information.

Unpublished Price Sensitive Information (UPSI) shall cover information stated under Regulation 2(n) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. Unpublished Price Sensitive Information (“UPSI”) shall also 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) Periodical financial results of the Company;
- b) Intended declaration of dividends (Interim and Final);
- c) Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company’s shares;
- d) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- e) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- f) Changes in key managerial personnel;
- g) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

APPLICABILITY:

This policy shall apply to all designated persons and immediate relative of designated persons and persons in possession of or having access to unpublished price sensitive information.



DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Officer of the Company shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in “Annexure A” to this policy.

REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Officer of the Company shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in “Annexure B” to this policy.

DUTIES OF ENQUIRY COMMITTEE:

The Enquiry Committee shall be responsible-:

- a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- b) To authorize any person to collect necessary support material; and
- c) To decide disciplinary action thereon.

PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, insider, employee, designated person, support staff or any other known or unknown person, the Compliance Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure-:

(a) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available materials in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.



The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant facts, material substances on actual or suspected leak of UPSI.

PROCESS OF PRELIMINARY ENQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI:

1. Enquiry under this policy shall commence suo moto or 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.
2. The complaint shall inter alia state particulars of the complainee and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
3. The Complaint shall be addressed to the Board or Audit Committee or Chairman or Managing Director (MD) or Whole Time Director (WTM) or CEO, by whatever name called.
4. Within 5 (five) working days of receipt of the complaint, the Enquiry Committee shall be formed and the committee shall write to the complainee intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter. However, if The Board/ Audit Committee / Chairman / Managing Director / Whole Time Director (WTM) / CEO 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 will discard the complaint with reasons recorded in writing.
5. Within 7 (seven) working days of receipt of written representation, the Enquiry Committee 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 it may deem fit or expedient in this regard. During the course of such investigation, the Enquiry Committee may call for such additional documents, representations, etc. as it may deem fit.
6. If no representation is received within the aforesaid stipulated time, the Enquiry Committee shall issue notice to the complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.



(b) Report of Preliminary Enquiry to the Enquiry Committee:

1. On completion of the preliminary investigation, receipt of reply to the show cause notice issued or on non-receipt thereof, the Enquiry Committee shall refer the matter to the Chairman of the Audit Committee, along with the opinion of the Enquiry Committee, for his consideration.
2. 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 the Enquiry Committee.
3. The Audit Committee shall consider the matter and put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion that the complainee is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings against the complainee, 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 applicable.

(c) Disciplinary Action:

The Disciplinary action(s) shall include wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Board.

MISCELLENOUS PROVISIONS:

1. The Company suo moto reserves the right of initiating an enquiry under this policy against any designated person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.
2. This policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Vigil Mechanism Policy of the Company.
3. The word MD or CEO wherever referred in this policy shall mean and include head of the Company, whether occupying board position or not, by whatever name called.
4. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.
5. 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) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time.



Annexure A
FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO
THE STOCK EXCHANGES

To
Stock Exchange (s)
Address
XXXXXXXXXX

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No



Annexure B
FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Dear Sir / Madam,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015

Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows:

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No