

**BANNARI AMMAN SUGARS LIMITED  
COIMBATORE**

**POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)**

(Under Regulation 9(A) of SEBI (Prohibition of Insider Trading)  
Regulations, 2015 as amended)

**Background**

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) and initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the same to Securities Exchange Board of India (SEBI) promptly of such leaks, inquiries and results of such inquiries.

**Applicability**

This policy shall be deemed to be effective from April 01, 2019.

**Objectives**

- (a) To strengthen the internal control system to prevent leak of UPSI;
- (b) To have a policy to curb the un-ethical practices of sharing UPSI;
- (c) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform SEBI promptly of such leaks, inquiries and results of such inquiries; &
- (d) To take appropriate disciplinary action against the insider who found guilty in leakage UPSI.

**Definitions**

- (a) **Compliance Officer** shall mean the Compliance Officer of the Company appointed by the Board of Directors under Securities and Exchange Board India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (b) **Leak of UPSI** shall mean communication of UPSI by any Insider, Employee and Designated Persons to any person other than a person(s) authorized by the company after following the due process prescribed in this behalf in the Code of Practices for Fair Disclosure 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 or re-enactment thereto.

(c) **Un-published Price Sensitive Information (“UPSI”)** shall 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;

- (i) Financial Results of the Company;
- (ii) Dividends;
- (iii) Change in capital structure
- (iv) Mergers, De-mergers, Acquisitions, Delisting of Securities, Disposals and Expansion of Business and such other transactions;
- (v) Changes in Key Managerial Personnel;
- (vi) Such other information, in the opinion of the Board, if disclosed is likely to materially affect the prices of the securities

*Note: Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and the Rules and Regulations made there under shall have the meanings respectively assigned to them in those legislations.*

#### **Duties of the Compliance Officer**

- (i) The Compliance Officer shall be responsible to:
  - (a) Oversee the compliance of this policy.
  - (b) On becoming aware about the incident of actual or suspected leak of UPSI, promptly intimate the Inquiry Committee as appointed by the Board of Directors from time to time along with the relevant facts for initiating appropriate inquiries.
  - (c) Intimate to the Board of Directors of such leaks, inquiries and results of such inquiries.
  - (d) Intimate to the SEBI and Stock Exchanges of such actual or suspected leaks, inquiries and results of such inquiries.

#### **Inquiry Committee**

The Managing Director or any officer authorized by the Board in this behalf, shall constitute a Committee to be called as “Inquiry Committee”. The Inquiry Committee shall consist of minimum 2 (two) Members which shall include Managing Director. The Managing Director may change/alter/re-constitute the Inquiry Committee as may be required from time to time.

## **Investigation by Inquiry Committee**

The Inquiry Committee shall be responsible:

- (a) To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- (b) To authorize any person, if required, to collect necessary support material;
- (c) To consider the facts and circumstances and decide / direct on the matter;
- (d) To decide disciplinary action thereon.

## **Procedure for Inquiry**

On becoming aware or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any Insider, Employee or Designated Person, the below mentioned procedure be followed:

- (a) The Inquiry Committee shall meet immediately as soon as possible after receipt of the information of actual or suspected leak of Unpublished Price Sensitive Information and take cognizance of the matter and decide as follows.
  - (i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
  - (ii) If it is found that the issue requires further investigation, preliminary inquiry shall be initiated.
- (b) The Inquiry Committee, if required may appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct preliminary inquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.
- (c) The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI shall submit his/her report to the Inquiry Committee within 7 days from the date of the appointment.
- (d) The Disciplinary Action(s) may be decided by the Members of the Committee based on the facts.

The Board of Directors of the Company may at any time amend/substitute any clause of this policy or replace this entire policy with a new policy. Any subsequent amendment/modification in SEBI (Prohibition of Insider Trading) Regulations, 2015 in this regard shall automatically apply to this Policy.

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