



***“DHAMPUR BIO ORGANICS LIMITED”
POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION***

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

1. PREAMBLE:

Section 12A (d) and (e) of the Securities and Exchange Board of India Act, 1992 prohibits persons from directly or indirectly engaging in insider trading or dealing in securities while in possession of material or non-public information or communicating such material or non-public information to any person, in any manner which is in contravention of the SEBI Act or the regulations made thereunder.

SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has inserted a new Regulation 9A in the SEBI (Prohibition of insider Trading) Regulation, 2015 (“the Regulations”).

Regulation 9A(5) mandates every listed company to formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information (“**UPSI**”) or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company.

Also it mandates to initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, the Board of Directors of “Dhampur Bio Organics Limited” (the “**Company**”) has drafted Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information (The “**Policy**”).

2. OBJECTIVE:

“**Dhampur Bio Organics Limited**” strives to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information.

For the regulators as well as the company, the Leakage of unpublished price sensitive information is a matter of serious concern.

It is the responsibility of a company to find out sources responsible for the leakage and plug gap in the internal control systems to prohibit repetition of such leakage of unpublished price sensitive information.

The main Objective of this policy is:

1. To have a uniform code to control the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate.
2. To restrict and prohibit unauthorized access to UPSI originating from within the Company.
3. To strengthen the internal control system to prevent leak of UPSI.

4. To have a mechanism to initiate inquiries in case of Leak (or Suspected Leak) of UPSI, and promptly take all actions as may be necessary under the SEBI Regulations.
5. To take disciplinary actions against any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons
6. To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

3. SCOPE:

The Policy shall be applicable to all the Insiders.

The Company endeavors to preserve the confidentiality of **un-published price sensitive information** (UPSI).

To 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 or any other known or un-known person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

This Policy deals with-

1. *Formulating procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.*
2. *Boosting the internal control system to prevent leak of UPSI.*
3. *Penalizing any insider who appears to have found guilty of violating this policy.*

4. DEFINITIONS:

- a) **Act:** means the Securities and Exchange Board of India Act, 1992 as amended from time to time.
- b) **Board of Directors or Board:** means the Board of Directors of the Company as constituted from time to time.
- c) **Code:** means the Code of Conduct for Prevention of Insider Trading of the Company.
- d) **Company:** means Dhampur Bio Organics Limited.
- e) **“Chief Investor Relation Officer” (“CIO”)** shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) **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) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- ✓ an immediate relative of connected persons specified in clause (i); or
- ✓ a holding company or associate company or subsidiary company; or
- ✓ an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- ✓ an investment company, trustee company, asset management company or an employee or director thereof; or
- ✓ an official of a stock exchange or of clearing house or corporation; or
- ✓ 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
- ✓ 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
- ✓ an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- ✓ a banker of the company; or
- ✓ a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest.

g) "Designated Persons" shall mean:

- i. Promoters and their immediate relatives;
- ii. Directors of the Company and their Personal Assistants;
- iii. Key Managerial Personnel of the Company;
- iv. Every employee in the grade of General Managers and above;
- v. Every Employee in Finance, Accounts, Secretarial and MIS;
- vi. Permanent invitees to the meetings of the Board of Directors of the Company and Committees of the Board of Directors of the Company;
- vii. All other persons, being in any contractual, fiduciary or employment relationship with 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;
- viii. Any other officer/ employee/ person who may have access to price sensitive information and who is notified by the Compliance Officer shall be included within the purview of designated person from time to time.

h) Insider: means any person who is:

- ✓ a connected person; or
- ✓ in possession of or having access to unpublished price sensitive information;

i) Immediate Relative means a spouse of a person, and includes parent, sibling, and child

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.

j) 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 as 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, re-amendment or re-enactment thereof:

means communication of information which is, or is deemed to be UPSI, by any person, who is in possession of such UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.

k) Regulations: shall mean SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

l) Suspect: means the person or persons against or in relation to whom an inquiry is initiated in case of Leak (or Suspected Leak) of UPSI.

m) Un-published Price Sensitive Information (“UPSI”) or 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;
- 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.

n) Working days: means working days of the Company.

Note: Words and expressions used and not defined in this Policy but defined under the Code, Regulations, 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.

5. DUTIES OF CHIEF INVESTOR RELATION OFFICER (CIO) :

The Duties of the Chief Investor Relation Officer is as under:

- a) Oversee the compliance of this policy.
- b) To co-ordinate with and disclose the relevant facts of the incident of actual or

suspected leak of UPSI.

- c) To intimate to the Board of Directors of such leaks, inquiries and results of such inquiries.
- d) To promptly intimate to the Stock Exchanges on which the securities of the Company are listed on becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company.
- e) To ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and report thereof shall be promptly made available to the SEBI.

6. AUTHORISING ANY SENIOR OFFICIAL(S) TO INQUIRE INTO LEAK OF UPSI:

In case of actual or suspected leak of UPSI, Managing Director, in consultation with chairman of Audit Committee, may authorize any Senior official(s) of the Company to inquire and perform duties as prescribed.

7. DUTIES OF SENIOR OFFICIAL(S):

The Senior official shall be responsible:

- a) To conduct inquiry to ascertain the truth or otherwise, contained in the information or complaint pertaining to the 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;
- e) To keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation
- f) To provide opportunity of being heard to the Suspect, during the inquiry proceedings; and
- g) To notify the Suspect of the allegations at the outset of an internal investigation and provide him with the opportunity to represent his case himself and submit evidence.

8. POWERS OF SENIOR OFFICIAL(S):

For the purpose of conducting an inquiry, the Senior official(s) may:

- a) call upon-
 - ✓ persons to seek clarification or information pertaining to the leak;
 - ✓ person(s) involved in originating, processing and dissemination of relevant information;
 - ✓ person(s) who had access to the information;
 - ✓ any market intermediaries, fiduciaries and other person(s)/ entity(ies) who have access to UPSI.
- b) At its discretion, invite/appoint internal/external investigators/experts.
- c) Take interim actions including sending the Suspect on leave, restricting physical access to the office premise, freezing access to systems, electronic devices, emails, etc., during the pendency of the investigations, to ensure fair conduct of the proceedings;

- d) To take disciplinary action thereon including the wage freeze, suspension, recovery, claw back, termination etc.

9. **PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI:**

The Vigilance officer/ Chairman of Audit Committee on becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company either suo-motu or from any Promoter, Director, Key Managerial Personnel, employee, insider, designated person or any other person, regulators, shall inform the same to the Managing Director who shall appoint senior official.

The below mentioned procedure shall be followed by the Senior Official in order to inquire and/or otherwise investigate the matter.

a) **To take Cognizance of the matter:**

The Senior Official(s) shall act within a period of 3 working days after receipt of the information of actual or suspected leak of Unpublished Price Sensitive Information and decide as follows.

- ✓ If it is found that the issue requires further investigation, Inquiry may be initiated.
- ✓ If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.

b) **Preliminary Inquiry:**

Preliminary inquiry is a fact-finding exercise to be conducted by the Chief Investor Relation Officer. Its object is to ascertain the truth of the allegations contained in the information or complaint or otherwise, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to commence detail inquiry.

c) **Report of Preliminary inquiry:**

The Chief Investor Relation Officer shall submit his/her report to the Senior official(s) within 3 working days from the date of his appointment on this behalf.

d) **Detailed Inquiry:**

- ✓ In case a prima-facie leak of UPSI has been established, the Senior official(s) shall proceed to conduct a detailed inquiry.
- ✓ The Senior official(s) may appoint and/or authorise the Chief Investor Relation Officer or any other person(s) as it may deem fit, to conduct detail inquiry within 7 days working days or period of time as reasonably deemed fit by the Senior official(s) from the date of receipt of such intimation.

e) **Disciplinary Action:**

The Disciplinary Action(s) may be decided by the Senior official(s) based on the facts.

The Disciplinary action(s) may include, wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Senior official(s) in consultation with Managing Director.

10. RIGHTS AND OBLIGATIONS OF THE SUSPECT:

1. The Suspect shall-

- ✓ Co-operate during the inquiry process.
 - ✓ Provide necessary clarification and material in his defense.
 - ✓ Have the right to consult with a person or persons of his/ her choice, other than Senior official(s)
 - ✓ Have the right to be informed of the outcome of the Inquiry.
2. The inquiry proceedings is the responsibility of the Suspect to keep the same confidential and not to interfere with the inquiry.
 3. The Suspect shall not be withhold, destroy or tamper with any kind of Evidence and witnesses shall not be influenced, coached, threatened or intimidated by the suspect as well.
 4. **No allegation** of wrongdoing against a Suspect shall be considered as maintainable unless there is evidence in support of the allegation as may be determined by the Senior official(s).

11. AMENDMENT:

- ✓ The Board of Directors can amend this Policy, as and when deemed fit.
- ✓ In case of any subsequent amendment(s), clarification(s), circular(s) in the provisions of the Companies Act, 2013 and SEBI, LODR (2015) or any other regulations (“the Regulations”) which makes any of the provisions in the policy inconsistent with the said Regulations, then such amendment(s), clarification(s), circular(s) etc. would prevail over this Policy and the provisions in the policy shall stand amended accordingly to make it consistent with such amendment(s), clarification(s), circular(s) etc.
- ✓ This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required 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.

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