

## **CHANDNI MACHINES LIMITED**

### **POLICY FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

[Pursuant to Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]

#### **PREAMBLE**

The Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“PIT Amendment Regulations”) mandates every listed company to formulate a written policy and procedure for inquiry in case of leak of unpublished price sensitive information (**UPSI**) and initiate proper action on becoming aware of leak of UPSI and inform the Securities and Exchange Board of India (SEBI) promptly of such leaks, inquiries and results of such inquiries.

In this regard, the Board of Directors of Chandni Machines Limited (**“the Company”**) has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (**“the policy”**), for adoption.

#### **1. SCOPE**

To lay procedures for 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.

#### **2. DEFINITIONS:**

- (I) **“Chief Investor Relation Officer” OR “CIO”** shall mean the Compliance Officer or such other officer of the Company as appointed by the Board of Directors under Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (II) **“Leak of Unpublished Price Sensitive Information (UPSI)”** shall mean communication of information which is/ shall be Unpublished Price Sensitive Information by an Insider, Employee and Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board of Directors or Chief Investor Relation Officer (CIO) of the Company after following the due process prescribed in this behalf in the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and/ or Securities and Exchange Board of India (prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
- (III) **“Unpublished Price Sensitive Information” or “UPSI”** shall mean any information, relating to a Company or its securities, directly or indirectly,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:

- (a) Financial results;
- (b) Dividends;
- (c) Change in capital structure;
- (d) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
- (e) Changes in key managerial personnel.

### **3. DUTIES OF CHIEF INVESTOR RELATION OFFICER**

The CIO shall be responsible to:

- (i) Oversee the compliance of this policy;
- (ii) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the inquiry committee;
- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock exchanges; and
- (iv) Report the incident of actual or suspected leak of UPSI to Securities Exchange Board of India (SEBI).

### **4. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES**

On becoming aware of the suspected leak of UPSI of the Company, the CIO shall ensure that the same shall be promptly intimated to stock exchange on which the securities of the company are listed in the format as set out in “**Annexure-A**” of this policy.

### **5. REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI**

On becoming aware of the suspected leak of UPSI of the Company, the CIO shall ensure that a report on such actual or suspected leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in “**Annexure-B**” of this policy.

### **6. CONSTITUTION OF INQUIRY COMMITTEE**

The Board of Directors or any Committee authorised by them in this behalf, shall constitute a Committee to be called as “Inquiry Committee”.

The Inquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and / or any other officer(s) of the Company. The Board of Directors may

change/alter/re-constitute the Inquiry Committee as may be required from time to time.

## **7. DUTIES OF 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.

## **8. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI**

The Inquiry Committee shall suo-motu becoming aware or otherwise on a complaint received in writing or by email at sales@cml.net.in, of actual or suspected leak of UPSI of the Company by any person in possession of or having access to UPSI shall follow the below mentioned procedure in order to inquire and/or otherwise investigate the matter.

- (i) The written/email complaint shall inter alia, state particulars of the complaine, details of the complaint and shall be addressed to the Audit Committee or the Board or Chairman or Managing Director.
- (ii) The CIO shall immediately on receipt of the complaint, convene meeting of the Enquiry Committee and place the complaint before the Committee.

### **A. To take Cognizance of the matter:**

The Inquiry Committee shall meet immediately as possible after receipt of the information of actual or suspected leak of UPSI 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 issue requires further investigation, Preliminary Inquiry may be initiated.

### **B. Preliminary Inquiry:**

Preliminary Inquiry is a fact-finding exercise which shall be conducted by the Chief Investor Relation Officer. The object of preliminary inquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to

collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark any disciplinary action.

The Inquiry Committee , if required and in addition to Chief Investor Relation Officer may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an inquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

**C. Report on Preliminary Inquiry:**

The Chief Investor Relation Officer or Person(s) appointed/authorized to inquire 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 his appointment on this behalf.

**D. Disciplinary Action:**

The Disciplinary Action(s) shall include wage freeze, suspension, recovery, claw back, termination etc. as may be decide by the Members of the Inquiry Committee.

**9. AMENDMENT**

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Code shall be published on the official website of the Company. Subsequent modification(s)/ amendment(s) to SEBI (Prevention of Insider Trading) Regulations, 2015 and any amendment thereto shall automatically apply to this code.

**ANNEXURE-A**

**Format for Intimation of Actual or Suspected leak of Unpublished Price Sensitive Information (UPSI) to the Stock Exchanges**

[Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

To,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400001

Dear Sir/ madam,

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

Dear Sir/ Madam,

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

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

Request you to take the aforementioned on your records.

Thanking You,  
Yours faithfully,

**For Chandni Machines Limited**

**Company Secretary and Compliance Officer**

**ANNEXURE-B**

**Format for Intimation of Actual or Suspected leak of Unpublished Price Sensitive Information (UPSI) to the Securities Exchange Board of India (SEBI)**

[Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

To,  
Securities and Exchange Board of India  
Plot No. C 4-A, G Block,  
Bandra- Kurla Complex,  
Bandra East, Mumbai-400051

Dear Sir/ madam,

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

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

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

Request you to take the aforementioned on your records.

Thanking You,  
Yours faithfully,

**For Chandni Machines Limited**

**Company Secretary and Compliance Officer**