SUNKIND INDIA LIMITED

PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

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PROCEDURE OF INQUIRY IN CASE OF LEAK OF UPSI

1. INTRODUCTION

1.1 The SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("SEBI Regulations") mandates every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information ("UPSI") and initiate appropriate action on becoming aware of leak or suspected leak of UPSI and inform Securities and Exchange Board of India ("SEBI") promptly of such leaks, inquiries and results of such inquiries.

1.2 In this regard, Board of Directors of Sunkind India Limited ("SIL/Company") has laid down this policy for Procedure of Inquiry in case of leak or suspected leak of UPSI ("the Policy").

2. OBJECTIVE

2.1 To strengthen the internal control system to prevent leak of UPSI.

2.2 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 loss of investors' / financers' confidence in the Company.

2.3 To have a uniform code to curb the un-ethical practices of sharing UPSI by Insider, employee & Designated Person with any person, firm, company or body corporate.

2.4 To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the SEBI.

2.5 To take disciplinary actions, if deemed fit against any Insider, employee & Designated Person who appears to have found guilty of violating this Policy, apart from any action that SEBI may initiate/take against such person.

3. SCOPE

3.1 The Policy shall be applicable to all the Insiders.

3.2 The Committee shall implement the procedures under this Policy for initiating inquiry in case of leak or suspected leak of UPSI and inform SEBI and the Stock Exchanges promptly of such leaks, inquiries and outcome of such inquiries.

4. DEFINITION

4.1 **"Board"** means the Board of Directors of the Company.

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4.2 **"Company"** means Sunkind India Limited.

4.3 **"Inquiry Committee"** means Committee of minimum 3 (three) Members which shall include Chief Financial Officer and Investigating Officer and Managing Director or any other officer(s) of the Company as the Board or the Committee of the Board, may deem fit.

4.4 **"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.

Explanation: It covers the instances where the UPSI has been shared by a person to any person, association, body, firm, agency, society, entity or to a group thereof except in compliance with applicable law.

4.5 **"Unpublished Price Sensitive Information" ("UPSI")** means shall have the meaning ascribed to such term under the SEBI PIT Regulations.

4.6 **"Investigating Officer (IO)"** shall mean Compliance Officer as appointed by the Board for investigation purpose.

5. DUTIES OF INVESTIGATING OFFICER

The IO 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) Report the incident of actual or suspected leak of UPSI to the SEBI.

6. REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

6.1 On becoming aware of actual or suspected leak of UPSI of the Company, whether suo moto or by way of receipt of information from any person, the IO shall ensure that:
(a) the matter is placed for consideration before the Inquiry Committee, and
(b) a report on such actual or suspect leak of UPSI and results thereof shall be promptly informed to the SEBI upon conclusion of the inquiry.

6.2 Any instance of Leak of UPSI should be on the basis of a direct first – hand experience of the Whistle-blower. It should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.

6.3 The Whistle-blower may report Leak of UPSI to the IO by way of an email at **cs@sunkind.in** through their official e-mail ID's. The subject line should be titled as 'Leak Of UPSI'. The instance of Leak of UPSI reported by the Whistle-blower must be genuine and should be supported/ substantiated by adequate data/ proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature or was not genuine, the Whistle-blower shall be subject to disciplinary action/ proceedings.

6.4 On the basis of reporting, the IO shall examine the genuineness of the reporting before initiating the inquiry.

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6.5 The IO shall immediately upon ascertainment of the genuineness of the reported Leak of UPSI, intimate the same to the Inquiry Committee.

6.6 The Inquiry Committee shall take further action based on the recommendations of the Audit Committee accordingly.

7. CONSTITUTION OF INQUIRY COMMITTEE

7.1 In case of actual or suspected leak of UPSI, a Committee shall be constituted by the Board or by the Committee of the Board or of such person(s) as may be of the authorized by the Board or Committee in this behalf, to be called as "Inquiry Committee" to perform such duties as may be prescribed by this Code or by any other applicable law for the time being in force.

7.2 The Board or Committee of the Board may change / alter / re-constitute the Inquiry Committee as may be required from time to time.

8. 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.

9. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI

The Inquiry Committee shall upon receipt of written complaint or becoming aware or otherwise, of actual or suspected leak of UPSI of the Company shall follow the below mentioned procedure in order to inquire and/or otherwise investigate the matter:

(a) <u>To take cognizance of the matter:</u>
The Inquiry Committee shall meet within a period of 2 (two) working days after receipt of the information or becoming aware of actual or suspected leak of UPSI, 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 may be initiated.

(b) <u>Preliminary Inquiry:</u>
Preliminary Inquiry is a fact-finding exercise which shall be conducted by the IO. 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 may also appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an inquiry to collect the relevant fact,

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material substances on actual or suspected leak of UPSI, including, seeking oral and written representations from any person(s) alleged to have caused the leak of UPSI.

(c) Report of Preliminary Inquiry to the Inquiry Committee:

The IO 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) Proceedings before the Inquiry Committee:

On receipt of recommendation of IO and after due review of evidence(s)/ record(s) and representation(s) made by the person(s) alleged to have cause leak of UPSI, if the Inquiry committee forms an opinion that such person(s) is/are guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary Disciplinary Action, which will be in addition to the penal provisions stated under SEBI Insider Trading Regulations and any other statutory enactments, as applicable.

(e) The Disciplinary Action(s)

The Disciplinary Action shall include wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the inquiry Committee, in addition to the action to be initiated by the SEBI, if any.

10. DOCUMENTATION AND REPORTING

The Inquiry Committee will make a detailed written record of investigation of each instance of leak or suspected leak of UPSI. The record will include:

(i) Facts of the matter

(ii) Findings of the investigation.

(iii) Disciplinary/ other action(s) to be taken against any person.

(iv) Any corrective actions required to be taken.

The details of inquiries/investigations made in these cases and results of such inquiries shall be informed to the Audit Committee and Board of Directors of the Company. Further, the Company shall inform the Securities and Exchange Board of India promptly of such leaks, inquiries and results of such inquiries.

11. AMENDMENT

The Board of Directors of the Company shall have the power to amend or modify or replace this Policy in whole or in part, as it may deem appropriate.

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