

BOMBAY STOCK EXCHANGE LIMITED PHIROZE JEEJEEBHAY TOWERS DALAL STREET MUMBAI - 400001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED "EXCHANGE PLAZA" BANDRA KURLA COMPLEX BANDRA (E) MUMBAI - 400051
Scrip Code: 522074	Scrip Code: ELGIEQUIP

E:SEC: 1021

DATE: 21/03/2019

Dear Sirs

Sub: Intimation of Policy and Procedure for inquiry into leak or suspected leak of Unpublished Price Sensitive Information, pursuant to the amendment of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Enclosed herewith the Policy and Procedure for inquiry into leak or suspected leak of Unpublished Price Sensitive Information as adopted by the Board of Directors.

Kindly acknowledge the receipt and do the needful to update your records.

Thanking you,

Yours faithfully,  
For ELGI EQUIPMENTS LIMITED



VAISHNAVI.P.M  
COMPANY SECRETARY

Encl: As above.

## 1. Purpose

To define policies and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI under The Securities and Exchange Board of India ( "SEBI") (Prohibition of Insider Trading) Regulations, 2015, as amended.

## 2. Definitions

**"UPSI"** means any information, relating to the 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 including but not restricted to, information related 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
- (vi) details of production
- (vii) quality aspects of company's products
- (viii) outcome of litigations
- (ix) introduction of new products
- (x) significant breakthrough in R&D/Technology

Any changes to the above definition that may be introduced by SEBI will be deemed to be incorporated into the above, and in the event of any inconsistencies, the definitions as laid out by SEBI from time to time will prevail.

### 3. Policy and Procedures

The Board of Directors has determined that the company will follow the below policy and procedure when there is a leak or suspected leak of UPSI:

- a. Whenever there is a leak or suspected leak of UPSI, all persons who shared the UPSI and to whom such UPSI was disclosed will be placed on a watch list;
- b. If the UPSI leaked constitutes trade secrets or intellectual property of the company, a police complaint will be lodged immediately;
- c. The persons who shared the UPSI and to whom the UPSI was disclosed will be called for an inquiry immediately;
- d. Opportunity will be provided to the persons appearing in the inquiry to put forth their case;
- e. Inquiry will be conducted in a fair manner;
- f. Evidence and trail of disclosure shall be gathered before arriving at any conclusion;
- g. Simultaneously, and if necessary, an investigative agency will be engaged to find out the source of the leak and trail of disclosure;
- h. The extent of damage or loss to the company will be assessed within fifteen days;
- i. If it is established in the inquiry that USPI has indeed been disclosed by the suspected persons who had appeared in the inquiry proceedings, then, depending upon the extent of damage or loss suffered or are likely to be suffered:
  - i. if the person/s is/are employees, he/she/they will either be issued a stern warning, be suspended or terminated with immediate effect and losses and damages suffered will be recovered from their entitlements and also from their estates through appropriate legal action in case there is a shortfall;

ii. if the person/s are “connected persons” within the meaning of The SEBI ( Prohibition of Insider Trading) Regulations, 2015, the company will immediately terminate their contracts and forthwith stop doing business with such persons. They will also be warned not to indulge in such acts and that company will recoup the losses and damages through appropriate action against them.

#### **4. Authority to Conduct Inquiries**

Authority is hereby given to the company’s senior management comprising of one level below the managing director to conduct the inquiry. All members of senior management will be members of this inquiry committee. The committee will promptly meet as soon as an incident of leakage or suspected leakage is brought to their notice. The committee shall hold as many sittings as required and have the power to summon concerned employees and connected persons for participating in the inquiry. Adequate notice and opportunity will be provided by the committee to enable the concerned to put forth their views. The committee shall share the findings with the concerned employees and/or connected persons and their views obtained before recommending any action against them. The findings as well as the responses received will be placed before the managing director who will decide on suitable action to be taken. The Head-legal & Secretarial, Head – IT and the company secretary will be part of all committee meetings and provide advice as needed to the committee. The Company secretary shall be responsible for recording the minutes of meetings. Administrative assistance may be availed by the committee as needed.

#### **5. Information to the Board**

The Board of Directors shall be informed promptly of any leakage of UPSI, inquiries and results of such enquiries. The Head-Legal & Secretarial or as directed by him, the company secretary will be responsible for intimating the Board of Directors.



**Policy and Procedures for Inquiry in  
case of leak or suspected of UPSI  
under The SEBI (Prohibition of  
Insider Trading) Regulations, 2015**

**Policy Number :**  
**PO/COR/SEC/12/R00**  
Date of Creation: 20/03/2019  
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**6. Modifications to the Policy**

Any modifications to this policy shall be approved only by the Board of Directors.

**7. Effective Date**

This Policy is effective from 1<sup>st</sup> April, 2019