

**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF
LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")**
[Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Background

Leakage of Unpublished Price Sensitive Information ("UPSI") from a company is a matter of serious concern not only for the regulators but for the company as well, and listed companies should take responsibility to find out sources responsible for the leakage and plug loopholes in the internal control systems to prohibit reoccurrence of such leakage of UPSI.

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mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of Hindustan Composite Limited ("**Company**") has laid down this policy namely '**Procedure of inquiry in case of Leak of Unpublished Price Sensitive Information**' ("**the Policy**").

I. Objectives

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information.
- (iii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized persons, 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' / financiers' confidence in the company.
- (iv) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employees and Designated Persons with any person, firm, company or body corporate.
- (v) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the Securities and Exchange Board of India ("SEBI").
- (vi) To take disciplinary actions, if deemed fit against any Insider, Employee or Designated Person who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee or Designated Person.

II. Scope

To lay procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

This policy is an extension of the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.

III. Applicability

This Code shall be applicable with effect from 1st April, 2019.

IV. Definitions:

(i) Chief Investor Relation Officer ("CIRO")

shall mean the Compliance Officer of the Company.

(ii) Disciplinary Action

shall mean any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

(iii) Support Staff

shall include IT Staff, Secretarial Staff, Legal Staff, Finance Staff, Strategy Staff who have access to unpublished price sensitive information.

(iv) Un-published Price Sensitive Information ("UPSI")

shall mean any information, relating to a company or its securities, that is not generally available directly or indirectly, 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) Periodical Financial Results of the Company;
- b) Intended declaration of dividends (Interim and Final);
- c) Change in capital structure i.e. Issue of securities, Buy - Back of securities, Split, Consolidation of Shares or any forfeiture of shares and such other transactions of similar nature or change in market lot of the Company's shares;
- d) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, Disposals, Spin Off or Selling Division of Whole or Substantially Whole of the Undertaking and Expansion of Business and such other transactions;

e) Changes in Key Managerial Personnel.

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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the Rules and Regulations framed there under shall have the meanings respectively assigned to them in those legislation.

IV. Leak of UPSI:

shall mean communication of information which is / shall be UPSI, by any Insider, Employee or Designated Person or any other known or unknown person to any person other than a person(s) authorized by the Board or Chief Investor Relation Officer (CIRO) of the Company after following the due process prescribed in this behalf in the 'Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information' and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015, or any other law may be applicable for time being in force and any amendment, re-amendment or re-enactment thereto.

V. Duties of Chief Investor Relations Officer:

The CIRO 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.
- (iv) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.

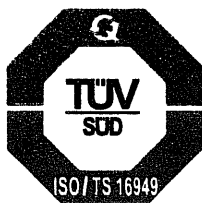
VI. Disclosure of actual or suspected leak of UPSI to Stock Exchanges & SEBI:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIRO shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed and SEBI in the format as set out in "**Annexure-A**" to this policy.

VII. Report of actual or suspected leak of UPSI to Stock Exchanges & SEBI:

The CIRO shall ensure that a report on such actual or suspect leak of UPSI, after preliminary inquiry thereon and results thereof shall be promptly informed to the Stock Exchanges on which the securities of the Company are listed and SEBI in the format as set out in "**Annexure- B**" to this policy.

VIII. Constitution of Inquiry Committee:



In case of actual or suspected leak of UPSI, a Committee shall be constituted by the Board of Directors or by the Managing Committee of the Board or of such person(s) as may be authorized by the Board or Managing 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.

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 as the Board of Directors or the Managing Committee of the Board of Directors, may deem fit.

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

IX. 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 and take appropriate disciplinary action thereon.

X. Procedure for inquiry in case of leak of UPSI:

The Inquiry Committee shall *suo-motu* upon becoming aware or otherwise on a complaint received in writing or by email at admin@menonbearings.in, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any person in possession of or having access to Unpublished Price Sensitive Information 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 CIRO 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 within a period of 2 (two) working days 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 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 of Preliminary Inquiry to the Inquiry Committee:

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 Enquiry Committee shall, on the basis of report of the Preliminary Enquiry, take disciplinary action against the complaine. The Disciplinary Action(s) shall include wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Inquiry Committee as per the provisions of Company's Insider Trading Code, in addition to the action to be initiated by SEBI, if any.

XI. Amendment

The Board of Directors of the Company, in sync with applicable laws, rules and 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.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

REGD. OFFICE & WORKS :

MIDC, GOKUL SHIRGAON, KOLHAPUR - 416 234. INDIA

Phones : + 91 231 26 72 279 / 533 / 487 Fax : + 91 231 267 22 78



E-mail : admin@menonbearings.in

Visit us at : <http://www.menonbearings.in>

CIN : L29130PN1991PLC062352



Annexure A

**Format for Intimation of Actual or Suspected leak of UPSI to the Stock Exchanges
[Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015]**

To,
BSE Limited
P. J. Towers, Dalal Street, Fort
Mumbai – 400 001.

To,
National Stock Exchange of India Limited
Exchange Plaza, BandraKurla Complex,
Bandra (East), Mumbai-400 051.

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051,
Maharashtra

Ref.: BSE Scrip Code No. “ _____ ”

Ref: “ _____ ”

Dear Sir / Madam,

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

Pursuant to provision of Regulation 9A (5) of the 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:

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

MENON BEARINGS LIMITED



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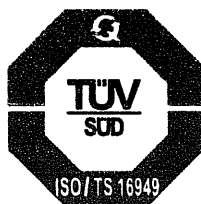
Request you to take the aforementioned on your records.

Thanking you,
Yours faithfully,

For _____ Limited



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Phones : + 91 231 26 72 279 / 533 / 487 Fax : + 91 231 267 22 78



E-mail : admin@menonbearings.in
Visit us at : <http://www.menonbearings.in>
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Annexure B

Format for Reporting Actual or Suspected leak of UPSI to the SEBI [Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015]

To,
BSE Limited
P. J. Towers, Dalal Street, Fort
Mumbai – 400 001.

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400 051.

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051, Maharashtra

Ref.: BSE Scrip Code No. " _____ "

Ref: " _____ "

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 9A(5) of the SEBI (Prohibition of Insider Trading) Regulation, 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:

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

MENON BEARINGS LIMITED



Request you to take the aforementioned on your records.

Thanking you,
Yours faithfully,

For _____ Limited



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