

**POLICY AND PROCEDURES FOR ENQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

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

SHARP INDIA LIMITED

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PREAMBLE

Leakage of UPSI of a company is a matter of serious concern not only for the regulator 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.

In reference to the same, SEBI vide notification dated 31 December 2018 brought various amendments to the existing insider trading regulations, one of the amendments requires that every listed company to formulate written policies and procedures for enquiry in case of leak of unpublished price sensitive information.

1. LEGAL FRAMEWORK

1.1 The Securities and Exchange Board of India ('SEBI') has, vide its circular no. LAD-NRO/GN/2014-15/21/85 dated January 15, 2015 enacted the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations").

1.2 Regulation 9 (5) under Chapter - IV of the Regulations provides for the formulation of a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ('Code of Conduct').

1.3 The policy for determination of legitimate purpose is adopted by Board of Directors in its meeting held on 29th March 2019 and the policy will be effective from 1st April 2019.

2. Unpublished Price Sensitive Information (UPSI):

Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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:

- 1) financial results;
- 2) dividends;
- 3) change in capital structure;
- 4) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- 5) changes in key managerial personnel;
- 6) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

3. Constitution of Enquiry Committee:

To enquire and investigate in case of the leak of UPSI, an Enquiry will be conducted by a Committee of minimum 3 Members which shall include Chairman and Managing Director, Chief Financial Officer and Compliance Officer or such other officials, executive or agencies as may be authorised by Board of Directors

4. Role of the Committee Enquiry Committee

- (a) To conduct a preliminary enquiry in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- (b) To authorize any person to take necessary actions, as and when required; and
- (c) To submit its report to Board of Directors
- (c) To decide disciplinary action thereon.

5. Disclosure of actual or suspected leak of UPSI to Stock Exchanges:

The Compliance Officer on becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Officer in consultation with Chairman and Managing Director shall ensure that the same is promptly intimated to SEBI

6. Enquiry on leak of UPSI

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Enquiry Committee shall initiate / conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

The Conduct/outcome of enquiry by the Enquiry Committee shall be promptly intimated to the SEBI.

7. Results of enquiry on leak of UPSI

The Enquiry Committee shall submit the report to the Chairman and Managing Director within 15 days from the date of his appointment in this regards.

The results of the enquiry on leak of UPSI shall be promptly intimated to the SEBI.

8. Disciplinary action

Based on the report of the Enquiry Committee, the Chairman and Managing Director in consultation with Board of Directors may decide on Disciplinary action(s) as recommended by the Enquiry Committee which shall include, wage freeze, suspension, recovery, claw back, termination etc.
