

PLACED BEFORE THE
BOARD ON 09/02/2020

**Policy on inquiry in case of leak of Unpublished Price Sensitive Information of The
Dharamsi Morarji Chemical Company Limited
(DMCC/ Company)**

Regulation 9 of the SEBI (Prevention of Insider Trading) Regulations, 2015 ('PIT Regulations') requires listed companies to formulate a Policy on inquiry in case of leak of Unpublished Price Sensitive Information.

The Policy has been approved by the Board of Directors in line with the PIT Regulations.

Unpublished Price Sensitive Information (UPSI) shall have the same meaning as defined under Regulation 2 (1)(n) of the PIT Regulations.

Leak of UPSI

The UPSI is said to have been leaked when there is a communication or procurement of UPSI by a person (who is a Designated Person as defined in the Company's Code of Conduct for regulation, monitoring and reporting the trades) to any other person who is not non-Designated Person.

Evidence of leak of UPSI

The leak of UPSI would be evident on the occurrence of the events illustrated below (though not limited to):-

- A sudden spike in the market price of shares of the Company
- A sudden plunging / falling market price of shares
- Show cause notice / letter received from Stock Exchange or any other Regulatory authority, seeking explanation / clarification for non-disclosure of the information before its public dissemination.
- Market speculations.

Information of leak of UPSI

The information of leakage of UPSI shall be given to the Compliance Officer in writing by the employee / person suspecting the leakage of UPSI.

Inquiry

On receipt of the information of leakage of UPSI, the Compliance Officer should initiate the inquiry and keep the Managing Director informed.

If after the initial enquiry, he is of the view that the allegations are baseless and frivolous, the same can be dismissed and keep the Managing Director informed.

If however, it is found out that the issue requires further detailed investigation, then the procedure as mentioned in the subsequent para should be followed.



Procedure for investigation

With the prior authorisation of the Managing Director, the Compliance Officer or such other Officer as may be nominated by the Managing Director, shall further investigate the matter including collection of documents, recording of evidences and statements of the person(s) concerned, and such other persons as may be thought fit by the Compliance Officer and endeavour to complete the investigation within 3 weeks of the receipt of the information / complaint of leak or suspected leak of the UPSI.

Documentation and Reporting

The Compliance Officer shall make a detailed report of the investigation of each instance of the leak or suspected leak of the UPSI and present the same to the Managing Director and thereafter to the Audit Committee and the Board of Directors. The report inter-alia, shall include the following:-

- Facts of the case
- Findings of the investigations
- Disciplinary actions proposed to be taken against such person(s) viz., wage freeze, penalty, suspension, recovery, clawback, ineligibility for promotion etc.
- Suggested corrective measures.

The Company shall also inform the Stock Exchange and SEBI about the decision of the Board on the subject matter.

Amendment

The Board of Directors shall make such modifications as may be deemed necessary in view of any amendments in the laws governing the Prohibition of Insider trading.

