

## **FERMENTA BIOTECH LIMITED**

### **Policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information ('UPSI')**

[Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (w.e.f. April 01, 2019)]

<b>Amended on</b>	<b>Vide</b>
February 12, 2019	Board meeting held on February 12, 2019
October 17, 2019 (latest)	With effect from October 17, 2019, name of the Company has been changed from DIL Limited to Fermenta Biotech Limited. Reprinted with new name after October 17, 2019



## Background

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2018 ("**Regulations**") mandate every listed company to formulate policy and procedures for inquiry in case of leak of unpublished price sensitive information ("**UPSI**") or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak of or suspected leak of UPSI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

In this regard, Board of Directors of Fermenta Biotech Limited ("FBL" /"Company") in its meeting held on February 12, 2019 has adopted this "Policy and Procedures for Inquiry in Case of Leak of Unpublished Price Sensitive Information or Suspected Leak of Unpublished Price Sensitive Information" (the "**Policy**").

This Policy forms an integral part of Company's Insider Trading Code.

### I. Objective of the Policy

- (i) To strengthen the internal control system in order to prevent Leak of UPSI.
- (ii) To restrict and prohibit sharing of UPSI by any person including promoter, director, key managerial person, insider, employee, designated person, and support staff with any person in an unauthorized manner as prohibited by the Regulations and applicable laws and to prevent any misuse of the UPSI.
- (iii) To initiate inquiry in case of Leak of UPSI or suspected Leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- (iv) To penalize any insider, employee and designated person who appears to have found guilty of violating the Policy.

### II. Applicability

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

### III. Definitions:

- a) **Chief Investor Relations Officer ("CIRO")** means the Compliance Officer of the Company appointed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other officer as may be appointed by the Board of Directors of the Company.
- b) **"Leak of UPSI"** means communication or sharing of information which is or may be UPSI, by any person including insider, employee, designated person to any person in any manner which is prohibited by the Regulations and applicable laws and Company's policies, except in furtherance of legitimate purposes.
- c) **"Support Staff"** includes every internal and external person engaged in the operation, assignment, task, activity or



function in connection with the Company who may have access to UPSI.

- d) **"Inquiry Committee"** shall mean a committee comprising of the Managing Director (MD), Chief Financial Officer (CFO) and Chief Investor Relations Officer (CIRO), or any such other person as may be approved by the Board of Directors in place of MD, CFO or CIRO in case the inquiry is against MD, CFO or CIRO.

Words and expressions used and not defined in the Policy but defined in the Regulations and/or Company's Insider Trading Code shall have the meanings respectively assigned to them in the Regulations and/or Company's Insider Trading Code, as amended from time to time.

#### **IV. Duties of Chief Investor Relations Officer:**

The CIRO shall be responsible to-

- i. Oversee the compliance of this Policy;
- ii. Report the incident of actual or suspected Leak of UPSI to SEBI;
- iii. To co-ordinate with and disclose to the Inquiry Committee the relevant facts of the incident of actual or suspected Leak of UPSI.

#### **V. Report of actual or suspected Leak of UPSI to SEBI:**

On becoming aware of actual or suspected Leak of UPSI of the Company, the CIRO initiate appropriate inquiries and promptly inform SEBI of such leaks, inquiries and results of such inquiries with the details and documents as SEBI may require.

#### **VI. Constitution of Inquiry Committee:**

The Board of Directors or shall constitute and reconstitute, as and when required, the Inquiry Committee under this Policy.

#### **VII. Duties of Inquiry Committee:**

The Inquiry Committee shall be responsible to-

- (a) conduct inquiry to ascertain the validity of the information or complaint pertaining to actual or suspected Leak of UPSI, if any;
- (b) authorize any person to collect necessary support documents and evidence;
- (c) decide further steps to be taken and disciplinary action thereon; and
- (d) do all such acts, deeds and things as may be required in this connection.



**VIII. Procedure for Inquiry in case of Leak of UPSI or suspected Leak of UPSI:**

**(a) Inquiry:**

The Inquiry Committee shall demand and collect necessary documents and evidence in support of the allegations or complaint, and thereafter to decide whether there is justification to embark any disciplinary action. The Inquiry Committee may appoint any person(s) or external agencies, as it may deem fit, for this purpose.

After collecting the necessary or available information, the Inquiry Committee may, at its discretion and as it may deem fit, issue a show-cause notice to the person who is guilty of Leak of UPSI or suspected Leak of UPSI and conduct the inquiry of such person, if required.

**(b) Report of Preliminary Inquiry to the Inquiry Committee:**

Based on the findings of the inquiry and other relevant documents and information, the Inquiry Committee shall prepare a report of findings promptly.

**(c) Disciplinary Action:**

If the person is found guilty of Leak of UPSI or suspected Leak of UPSI, the Inquiry Committee shall take disciplinary action(s) which may include salary/wage freeze, suspension, recovery of monies, termination etc., as the Inquiry Committee may deem fit.

The CISO shall promptly inform SEBI of such leaks, inquiry and results of such inquiry.

**IX. Amendment**

In case any conflict between the provisions of the Policy and the Regulations or any other applicable law, the provisions of the Regulations or such other applicable law (as amended from time to time and as the case may be) shall prevail.

The Board of Directors of the Company, subject to the Regulations and such other applicable law (as amended from time to time), may amend / substitute any provision(s) with a new provision(s) or replace the Policy with a new policy.

**For Fermenta Biotech Limited**

  
Pradeep Chandan  
Chairman

