

## **POLICY FOR LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*(As envisaged under Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time)*

### **Objective**

The Company is committed to transparency and fairness in dealing with all shareholders and in ensuring adherence to all laws and regulations. The Company has adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Insiders (hereinafter referred to as the “**Code of Conduct**”) duly approved by the Board of Directors and as amended from time to time.

Capitalized terms used in this Policy but not defined herein, have the respective meanings assigned to them in the Code of Conduct.

The Company desires to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. Every Insider and Designated Persons has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Insider & Designated Person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Company hereby notifies that this Policy and procedures hereunder for inquiry in case of the leak or suspected leak or inadvertent disclosure of the Unpublished Price Sensitive Information.

Non-compliance with this Policy may give rise to disciplinary action and, penalty as stated in the Code of Conduct.

### **1. Definitions**

1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.

1.2 “**Board**” means the Board of Directors of the Company.

1.3 “**Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Company as amended from time to time.

1.4 “**Company**” means Smruthi Organics Limited.

1.5 “**Regulations**” shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto

Words and expressions used and not defined in these Regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

## **2. Leak or suspected leak or inadvertent disclosure of Unpublished Price Sensitive Information**

Should an Insider or Designate Persons become aware of any leaks or suspected leaks or inadvertent disclosure of any Unpublished Price Sensitive Information, the Secretarial Department should be consulted immediately.

Insider or Designate Persons should be alert and vigilant with respect to any insider dealing committed or suspected to have been committed within the office or in relation to any of the Company's Securities and should report, on a confidential basis, to the Managing Director and the Company Secretary if they should become aware of any such insider dealing or suspected insider dealing of Unpublished Price Sensitive Information in relation to any Company's Securities.

## **3. Procedure and inquiry into the leakage or suspected leak or inadvertent disclosure of Unpublished Price Sensitive Information**

The Company Secretary or any other Officers as may be nominated by the Managing Director of the Company shall under Managing Director's supervision and instructions conduct an internal inquiry into the leakage or suspected leak or inadvertent disclosure of Unpublished Price Sensitive Information and take appropriate action against those responsible for the same, in accordance with Code of Conduct. Such inquiries shall be initiated immediately on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information. Any external agencies and consultants can be contacted and their services can be availed for assisting in the said inquiry.

Following actions are inter-alia desirable in case of internal inquiry:

- a) Preparing indicative list of teams/ persons handling the Unpublished Price Sensitive Information;
- b) Identifying whether technology was involved in the data theft in relation to Unpublished Price Sensitive Information viz. malware attacks, lack of data classification, software vulnerabilities, phishing, social engineering etc.;
- c) In addition to the external data thefts, is there any flow of Unpublished Price Sensitive Information to the competition or third parties for vested interests;
- d) Checking the flow of Unpublished Price Sensitive Information to and from the outsourced vendors, including printers, IT service providers etc.;
- e) Checking the online presence and ability to use various messaging applications which are encrypted and where communication cannot be monitored;
- f) Checking whether any team member overhearing conversations and privy to Unpublished Price Sensitive Information;

- g) Checking if any official or public emails/channels for sharing Unpublished Price Sensitive Information;
- h) Checking whether any delegation of emails to junior staff and the possibility of information leakage through this channel.
- i) Checking whether the Unpublished Price Sensitive Information was taken outside the Company premises for other than legitimate purposes

The scope of such inquiry shall include and not be limited to determination of the possible role of following persons in relation to the aforesaid leakage or suspected leak or inadvertent disclosure of Unpublished Price Sensitive Information:

- a) Persons / members of Board or committees;
- b) Persons involved in the corporate finance and accounts, corporate secretarial, taxation, MD/Chairman's Office;
- c) Persons involved in the preparation of board notes and presentations including investor relations;
- d) Persons involved in dissemination of Unpublished Price Sensitive Information in the public domain;
- e) Any other persons who had access to the information including but not limited to internal auditors, statutory auditors, secretarial auditors, tax auditors or consultants, other advisors or consultants, bankers etc.

The inquiry directed above shall be completed within a period of 1(one) month from the date of initiating the said inquiry or such other reasonable time as may be approved by the Managing Director. The results for such inquiries should be reported promptly to the Managing Director and should be placed before the Audit Committee and Board of Directors at their respective meetings for noting and information. The Company Secretary or any other person as may be nominated by the Managing Director of the Company inform SEBI promptly of such leaks, inquiries and results of such inquiries.

#### **4. Authority to make alterations**

The Board of Directors are authorised to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.