

**Chembond Material Technologies Limited**  
(formerly Chembond Chemicals Limited)  
**Policies and procedures for inquiry in case of leak of Unpublished  
Price Sensitive Information (UPSI) or suspected leak of UPSI**  
**[Under Regulation 9A of SEBI (Prohibition of Insider Trading) Reg., 2015]**

### **1. Introduction**

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) Regulation 9A mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.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of Chembond Material Technologies Limited has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (‘the policy’), for adoption.

### **2. Objective**

- a) To strengthen the internal control system to prevent leak of UPSI. All UPSI shall be shared strictly on a need-to-know basis and preferably a record be maintained of persons with whom such information is shared. Information shared through e-mail and preservation of such e-mail shall be sufficient compliance in this regard.
- b) To restrict and prohibit the practice of sharing of UPSI, with any unauthorized person(s), which originates from within the Company and affects the market price of the Company as well as loss of reputation and investors / financier’s confidence in the Company.
- c) 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.
- d) To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons.

### **3. Applicability**

This policy shall apply to all Designated Persons and Immediate relatives of Designated Persons and persons in possession of or having access to UPSI.

#### 4. Definitions

- i. **“Company”** means Chembond Material Technologies Limited.
- ii. **“Board”** shall mean the Board of Directors of the Company.
- iii. **“Audit Committee”** shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iv. **“Investor Relations Officer” (“IRO”)** shall mean the Compliance Officer & Company Secretary of the Company.
- v. **“Designated Persons”** shall cover all employees whether contractual or otherwise, persons / entities stated under Regulation 9(4) of PIT Regulations and other connected persons as defined under Regulation 2(d) of the PIT Regulations.
- vi. **“Immediate relative”** shall include persons defined under Regulation 2(f) of PIT Regulations.
- vii. **“Unpublished Price Sensitive Information” (“UPSI”)** shall cover information stated under Regulation 2(n) of PIT Regulations.
- viii. **“Leak of UPSI”** shall refer to such act / circumstance(s)/ communication of information by virtue of which any UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise, before its official publication or announcement or formal circulation in the public domain and which shall also include any purported attempt thereof.

#### 5. Disclosure of Actual or Suspected Leak of UPSI to Stock Exchanges and SEBI

On becoming aware of actual or suspected leak of UPSI in respect of the Company, the IRO shall ensure that the same is promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in **“Annexure A”** to this policy.

#### 6. Report of Actual or Suspected Leak of UPSI to SEBI

On becoming aware of actual or suspected leak of UPSI of the Company, and promptly pursuant to the intimation to the Stock Exchanges as per Clause 5 hereto, the IRO shall ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in **“Annexure B”** to this policy.

## 7. Constitution of Inquiry Committee

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a Committee to be called as "Inquiry Committee".

The Inquiry Committee shall consist of minimum 3 (three) members which shall include the Managing Director, Chief Financial Officer and IRO and / or any other officer(s) of the Company as the Board may deem fit.

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

## 8. Process of Inquiry in case of Leak of UPSI or Suspected Leak of UPSI

- (a) Inquiry under this policy shall commence upon receipt of a written complaint from any employee, department of the Company, Registrar and Share Transfer Agent, Designated Person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory or statutory authority or any other department of Central or State Government.
- (b) In case of actual or suspected leak of UPSI, an Inquiry Committee shall be constituted by the Board;
- (c) The complaint shall, *inter alia*, state particulars of the Complainee and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged. The complaint shall be addressed to the IRO at the Registered Office of the Company or by marking an email to [cs@chembond.in](mailto:cs@chembond.in).
- (d) The Inquiry Committee shall meet within a period of 5 (five) working days after receipt of the written complaint as per sub-clause (a) of Clause 7 hereto, of actual or suspected leak of UPSI and take cognizance of the matter. If it is found that the allegation is frivolous, not maintainable or outside the scope of the Inquiry Committee, the same may be dismissed for reasons to be recorded in writing. If it is found that the issue requires further investigation, preliminary inquiry may be initiated.
- (e) Within 5 (five) working days of receipt of the written complaint, a copy of the same shall be served upon the person against whom a leak has been alleged advising or directing him to give a written representation within 7 (seven) working days of receipt of letter.
- (f) Within 7 (seven) working days of receipt of representation, the Inquiry Committee shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as it may deem expedient in this regard. During the course of such investigation, the Committee may call for such additional documents, representations, etc. as it may deem fit.

- (g) If no representation is received within the aforesaid stipulated time limit(s), the Inquiry Committee shall issue a notice to the Complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
- (h) On completion of the preliminary investigation, receipt of reply to the show cause notice or on non-receipt thereof, the Inquiry Committee shall refer the matter to the Chairman of the Audit Committee, along with its recommendation.
- (i) Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and after due review, if it is of the opinion that the complainee is guilty of leak of UPSI or suspected leak of UPSI, then the Audit Committee shall recommend necessary disciplinary actions, which will be in addition to the penal provisions stated under applicable PIT Regulations and any other statutory enactments, as applicable.
- (j) The disciplinary action(s) shall, *inter alia*, include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Inquiry Committee, in addition to the action to be initiated by SEBI, if any.
- (k) The findings/report/recommendations of the Audit Committee shall be communicated to the Board.
- (l) The Company *suo moto* reserves the right of initiating an inquiry under this policy against any Insider if it has reasons to believe that such person has leaked UPSI or is suspected to leak UPSI.

## **8. Amendment**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.

### Annexure A

Format for Intimation of Actual or Suspected leak of UPSI to the Stock Exchanges pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
**Scrip Code – 530871**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (W),  
Mumbai – 400 051  
**Scrip Code – CHEMBOND**

**ISIN: INE995D01025**

Dear Sir/Madam,

**Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

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

Request you to take the aforementioned on your records.

Thanking you,

Yours faithfully,

for **Chembond Material Technologies Limited**

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Company Secretary & Compliance Officer

**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,

**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

**BSE Scrip Code – 530871**

**NSE Scrip Code – CHEMBOND**

**Dear Sir / Madam,**

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

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

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

Request you to take the aforementioned on your records.

Thanking you,

Yours faithfully,

for **Chembond Material Technologies Limited**

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Company Secretary & Compliance Officer