Policy for inquiry in case of leak of unpublished price sensitive information

DOCUMENT CONTROL

Document properties

Document name: Policy for inquiry in case of leak of unpublished price sensitive information

Document version: 1.0

Document owner: Legal & Compliance

Review frequency: Annually or need basis

Version history

Version	Adoption/ Amendment date	Effective date	Prepared by	Reviewed by	Approved by
1	March 29, 2019	April 1, 2019	Legal & Compliance	Audit Committee	Board of Directors

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Objective

The objective of this "Policy for inquiry in case of leak of unpublished price sensitive information" ("**Policy**") is to initiate inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information.

Background

The Securities and Exchange Board of India has framed the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "**Regulations**") to combat the menace of trading in securities with the unfair advantage of having access to "Unpublished Price Sensitive Information" which when published would impact the price of securities in the market. Any person who uses Unpublished Price Sensitive Information, not known to general public to make a profit either for themselves or a third party in the securities of a company is in breach of the Regulations.

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, effective from April 1, 2019, requires the board of directors of a listed company to formulate a written policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, and initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, and inform the Board promptly of such leaks, inquiries and results of such inquiries.

Considering the requirements of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and sub-regulation 5 of regulation 9A of the Regulations, the Company has formulated this Policy.

Definition

"**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

"Audit Committee" means the committee of the Board of Directors constituted under Section 177 of the Companies Act, 2013 and read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"**Board**" means the Securities and Exchange Board of India;

"**Board of Directors**" means the Board of Directors of the Company;

"**Chief Executive Officer**" means a Chief Executive Officer of the Company as defined under Companies Act, 2013;

"**Company**" means ICRA Limited;

"**Connected Person**" means:

(i) any person who is or has during the six months prior to the concerned act been associated

with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access; and

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be Connected Persons unless the contrary is established:-

(a) an Immediate Relative of Connected Persons specified in clause (i); or
(b) a holding company or associate company or Subsidiary company of the Company; or
(c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
(d) an investment company, trustee company, asset management company or an employee or director thereof; or
(e) an official of a stock exchange or of a clearing house or corporation; or
(f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or an employee thereof; or
(g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
(h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
(i) a banker of the Company; or
(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than ten per cent of the holding or interest;

"**Designated Person**" mean those persons who are specified by the Board of Directors in consultation with the Compliance Officer on the basis of their role and function in the organisation and the access that such role and function would provide to Unpublished Price Sensitive Information in addition to seniority and professional designation and shall include:-.

(i) employees of the Company, designated on the basis of their functional role or access to Unpublished Price Sensitive Information;
(ii) employees of Material Subsidiaries of the Company designated on the basis of their functional role or access to Unpublished Price Sensitive Information;
(iii) Promoters of the Company;
(iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company and Material Subsidiaries irrespective of their functional role in the Company or ability to have access to Unpublished Price Sensitive Information;

(v) any support staff of the Company such as IT staff or secretarial staff who have access to Unpublished Price Sensitive Information.

"Director" means a Director appointed to the Board of the Company;

"Employee" means every member of staff of the Company including off-roll and contractual personnel, in the employment of the Company.

"**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis and "Generally Available" means accessible to the public on a non-discriminatory basis;

"**Immediate Relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

"**Insider**" means any person who is:

(i) a Connected Person; or

(ii) in possession of or having access to Unpublished Price Sensitive Information;

(iii) in receipt of Unpublished Price Sensitive Information pursuant to a legitimate purpose.

"Investigator(s)" means a person, unbiased to the investigation, authorized or appointed by the Managing Director or the chairperson of the Audit Committee or the chairman of the Company in accordance with this Policy.

"**Key Managerial Personnel**" means person as defined in Section 2(51) of the Companies Act, 2013;

"Managing Director" means a Managing Director of the Company as defined under Companies Act, 2013;

"**Material Subsidiary**" means a Subsidiary of the Company if the income or net worth of the Subsidiary exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its Subsidiaries in the immediately preceding accounting year;

"**Promoter**" shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

"**Promoter Group**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

"**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

"Stock Exchange" means a Stock Exchange as defined in Section 2 of the Securities Contracts (Regulation) Act, 1956.

"Subject" means a person/ group of persons against or in relation to whom a concern/complaint, regarding the leak or suspected leak of Unpublished Price Sensitive Information, has been made or evidence gathered during the course of an investigation.

"**Subsidiary**" shall mean a subsidiary as defined under the Companies Act, 2013;

"**Unpublished Price Sensitive Information**" means any information, relating to the 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 including but not restricted to, information relating to the following:

(i) financial results;
(ii) dividends;
(iii) change in capital structure;
(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
(v) changes in Key Managerial Personnel.

Words and expressions used and not defined in these regulations but defined in the Act (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.

Applicability

This Policy shall apply to all Insiders of the Company.

Reporting of leak or suspected leak of Unpublished Price Sensitive Information

(i) Instances of leak of Unpublished Price Sensitive Information can be reported to the Managing Director or the chairperson of the Audit Committee/Board in writing at the address provided below:

The Managing Director/The Chairperson, Audit Committee/Board of Directors
ICRA Limited,
Building No. 8, 2nd Floor, Tower A, DLF Cyber City,
Phase II, Gurgaon, Haryana-122002

(ii) 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 Unpublished Price Sensitive

Information or suspected to leak Unpublished Price Sensitive Information.

Procedure for investigation in case of leak of Unpublished Price Sensitive Information

(i) The Company on becoming aware of actual or suspected leak, or instances of leak of Unpublished Price Sensitive Information reported to the Managing Director or the chairperson of the Audit Committee/Board of Directors, the matter is required to be investigated under the supervision of the Managing Director by any Investigator(s) appointed by the Managing Director. Provided that if the complaint is against any Director (including the Managing Director), then it will be investigated by the Investigator(s) appointed and supervised by the chairperson of the Audit Committee, and if the complaint is against the chairperson of the Audit Committee, then it will be investigated by the Investigator(s) appointed and supervised by the chairman of the Company.

(ii) The Investigator shall conduct an enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of Unpublished Price Sensitive Information, if any and shall authorize any person to collect necessary supporting evidence in order to consider the facts and circumstances thereon.

(iii) If initial enquiries indicate that the concern has no basis, or it is not a matter to be investigated under this Policy, it may be dismissed and the decision and the reason for dismissing the complaint shall be documented and reported to the Audit Committee, Managing Director and the chairman of the Company, and where possible be communicated to the person who had lodged the complaint.

(iv) In cases where the complaint is made against an Employee (other than the Managing Director), then on completion of the investigation, if an investigation reveals that the Subject is guilty of leak of Unpublished Price Sensitive Information, then the Managing Director shall take such disciplinary action which may include wage freeze, suspension, recovery, claw back, termination etc., which will be in addition to the penal provisions stated under the Regulations and any other statutory enactments, as applicable and the same shall be reported to the Audit Committee.

(v) In cases where the complaint is made against any Insider (other than an Employee covered by subclause (iv) above), then on completion of the investigation, if an investigation reveals that the Subject is guilty of leak of Unpublished Price Sensitive Information, the recommendations of the chairperson of the Audit Committee (or, if the complaint is made against the chairperson of the Audit Committee, the chairman of the Company) shall be directly referred to the Board of Directors.

(vi) The Board of Directors, on receipt of such recommendation under subclause (v) above and after due review, if it forms an opinion that the Subject is guilty of leak of Unpublished Price Sensitive Information, will determine the appropriate disciplinary action (which, in the case of the Managing Director may include wage freeze, suspension, recovery, claw back, termination etc.), which may be in addition to the penal provisions stated under the Regulations and any other statutory enactments, as applicable.

For the purposes of sub-clauses (v) and (vi) above, it is hereby clarified that if such complaint is made against any Director, then he shall be prohibited from receiving the recommendations of the Audit Committee or the chairman of the Company, as applicable, or participating in the determination of the disciplinary actions.

(vii) Any disciplinary action against the Subject shall be taken only when the Subject has been given an opportunity to be heard and respond to the material findings of the investigations in accordance with the principles of the natural justice.

(viii) The decision of the Managing Director (in cases where the complaint is made against an Employee (other than the Managing Director))/Board of Directors is final and binding.

(ix) This Policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted, or which are available under the Whistle Blower Policy of the Company (as approved by the Board of Directors from time to time).

Reporting to the Securities and Exchange Board of India

The Company shall ensure that a report on such actual or suspected leak of the Unpublished Price Sensitive Information, inquiries thereon and results thereof shall be promptly made to the Board.

Amendments/Modifications

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Regulations or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**") or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the Regulations or the Listing Regulations or such applicable law, then the provisions of the Companies Act, 2013 or the Regulations or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such change.

The Board of Directors of the Company may, subject to the applicable laws, amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board of Directors may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

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