



**HOLMARC OPTO-MECHATRONICS LIMITED**  
**Registered Office: BUILDING NO. 11 / 490, B 7, HMT INDUSTRIAL ESTATE,**  
**KALAMASSERY, KANAYANOR TALUK, ERNAKULAM, KERALA - 683503**  
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**POLICY AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

***[Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]***

## **A. INTRODUCTION**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“PIT Amendment Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. Accordingly, Holmarc Opto-Mechatronics Limited is required to formulate policy and procedures for inquiry in case of leak of unpublished price sensitive information.

## **B. OBJECTIVE OF THE CODE OF FAIR DISCLOSURES**

- i) To strengthen the internal control system to prevent leak of UPSI.
- ii) To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and loss of investors’ / financiers’ confidence in the company.
- iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate.
- iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the Securities and Exchange Board of India (“SEBI”).
- v) 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.

## **C. SCOPE**

To lay procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

## **D. DEFINITIONS**

- i. **Leak of UPSI** - means communication of information which is/deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.
- ii. **Suspect** - means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.
- iii. **Chief Investor Relation Officer (“CIO”)** shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Prohibition of Insider Trading) Regulations, 2015.

In the temporary absence of the CIO for any reason whatsoever, Managing Director shall nominate any other official of the Company to be responsible for dissemination of information and disclosure

of UPSI.

- iv. **Disciplinary Action** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- v. **Support Staff** shall include IT Staff, Secretarial Staff, Legal Staff, Finance Staff, Strategy Staff who have access to unpublished price sensitive information.
- vi. **Un-published Price Sensitive Information (“UPSI”)** - Shall mean any information, relating to a 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;
- Periodical financial results of the Company;
  - Intended declaration of dividends (Interim and Final);
  - Change in capital structure i.e., Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company’s shares;
  - Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
  - Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
  - Changes in key managerial personnel;
  - Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

*Note: Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 the Rules and Regulations made there under shall have the meanings respectively assigned to them in those legislation.*

**E. Duties of Chief Investor Relations Officer:**

The CIO shall be responsible to;

- Oversee the Compliance of this policy.
- To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Inquiry committee.

- Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.

**F. Disclosure of actual or suspected leak of UPSI to Stock Exchanges & SEBI:**

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that the same shall be promptly intimated to the Stock Exchange(s) on which the securities of the Company are listed in the format as set out in “**Annexure-A**” to this policy.

**G. Report of actual or suspected leak of UPSI to SEBI:**

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that a report on such actual or suspect leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in “**Annexure- B**” to this policy.

**H. Constitution of Inquiry Committee:**

In case of actual or suspected leak of UPSI, a Committee shall be constituted by the Board of Directors or by the Managing Committee of the Board or of such person(s) as may be authorized by the Board or Managing Committee in this behalf, to be called as “Inquiry Committee” to perform such duties as may be prescribed by this Code or by any other applicable law for the time being in force. The Inquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and / or any other officer(s) of the Company as the Board of Directors or the Managing Committee of the Board of Directors, may deem fit. The Managing Committee may change/alter/re-constitute the Inquiry Committee as may be required from time to time.

**I. Duties of Inquiry Committee:**

The Inquiry Committee shall be responsible;

- (a) To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- (b) To authorize any person, if required, to collect necessary support material;
- (c) To consider the facts and circumstances and decide / direct on the matter;
- (d) To decide disciplinary action thereon.

**J. Procedure for inquiry in case of leak of UPSI:** The Inquiry Committee shall suo-motu becoming aware or otherwise on a complaint received in writing or by email [cs@holmarc.com](mailto:cs@holmarc.com), of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any person in possession of or having access to Unpublished Price Sensitive Information shall follow the below-mentioned procedure in order to inquire and/or otherwise investigate the matter.

i. The written/email complaint shall inter alia, state particulars of the complaine, details of the complaint and shall be addressed to the Audit Committee or the Board or Chairman or Managing Director.

ii. The CIO shall immediately on receipt of the complaint, convene a meeting of the Enquiry Committee and place the complaint before the Committee.

**(a) To take Cognizance of the matter:** The Inquiry Committee shall meet within a period of 2 (two) working days after receipt of the information of actual or suspected leak of Unpublished Price Sensitive Information

and take cognizance of the matter and decide as follows.

- i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
- ii) If it is found that the issue requires further investigation, Preliminary Inquiry may be initiated.

**(b) Preliminary Inquiry:** Preliminary Inquiry is a fact-finding exercise which shall be conducted by the Chief Investor Relation Officer. The object of preliminary inquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark any disciplinary action. The Inquiry Committee, if required and in addition to Chief Investor Relation Officer may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an inquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

**(c) Report of Preliminary Inquiry to the Inquiry Committee:** The Chief Investor Relation Officer or Person(s) appointed/authorized to inquire the matter of actual or suspected leak of UPSI shall submit his/her report to the inquiry Committee within 7 days from the date of his appointment on this behalf.

**(d) Disciplinary Action:** The Inquiry Committee shall, basis the Report of the Preliminary Enquiry, take disciplinary action against the complaine. The Disciplinary Action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Inquiry Committee as per the provisions of PEL's Insider Trading Code, in addition to the action to be initiated by SEBI, if any.

#### **K. Powers of Inquiry Committee**

For purpose of conducting inquiry, the Inquiry Committee may:

- call upon
  - such employees/individuals to seek clarification or information pertaining to the leak.
  - persons / members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures.
  - persons involved in the consolidation of the figures for the financial results.
  - persons involved in the preparation of board notes and presentations.
  - persons involved in dissemination of information relating to financial results in the public domain.
  - any other persons who had access to the information.
  - any market intermediaries, fiduciaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.
- at its discretion, invite external investigators/experts.
- take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings
- keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

**L. RIGHTS AND OBLIGATIONS OF THE SUSPECT**

- a) The Suspect shall-
- co-operate with the Inquiry Committee during the investigation process.
  - have a right to consult with a person or persons of their choice, other than members of the Inquiry Committee.
  - right to be informed of the outcome of the investigation.
- b) The Suspect(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.
- c) Unless there are compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrong doing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

**M. CONSEQUENCES OF NON-COMPLIANCE**

- a) On receipt of report of inquiry committee, the Compliance Officer shall forthwith forward such report to Audit Committee.
- b) The disciplinary action against Suspect may be taken within 15 working days from receipt of investigation report by the Audit Committee in consultation with the Board of Directors or any other person authorised by the Board.
- c) The disciplinary action may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.
- d) SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect.

**N. REVIEW AND CHANGES**

The Board may amend this Policy from time to time (if required) to incorporate any subsequent amendment(s) / modification(s) brought in by SEBI with respect to matters covered under this policy or even otherwise. The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend /substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

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**“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,  
The Manager, Listing Department,  
National Stock Exchange of India Limited  
**SME Platform – NSE EMERGE**  
Exchange Plaza, C-1, Block –G,  
Bandra Kurla Complex, Bandra  
(East) Mumbai- 400051,  
Maharashtra, India

**Reference: Symbol: [●]**

**ISIN No: [●]**

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 hereby report the details of actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows:

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company. If yes, narration of the same	

**Any other information-**

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Request you to take the aforementioned on your records.

Sincerely,

For \_\_\_\_\_

[●]

**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 – 400051, Maharashtra

*Reference: Symbol: [●]*

*ISIN No: [●]*

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 hereby report the details of actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows:

Name of Offender, if known.	
Name of Organization.	
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-**

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Request you to take the aforementioned on your records.

Sincerely,

**For Holmarc Opto-Mechatronics Limited**

[●]

**COMPANY SECRETARY & COMPLIANCE OFFICER**