

**BINNY MILLS LIMITED**  
**(“Company”)**

**Code of Practices and Procedures for Fair Disclosure of  
Unpublished Price Sensitive Information (UPSI)**

***Revised code of practices-with effect from 01.04.2019***

**Objective**

The Board of Directors of the Company have adopted the following written policies and framework for ensuring compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to fair disclosure of events and occurrence that could impact price of the company's shares in the market.

**Chief Investor Relations Officer (“CIRO”)**

The Company Secretary of the Company shall act as the Chief Investor Relations Officer (‘CIRO’) of the Company to deal with dissemination of information and disclosure of UPSI and compliance with this Code.

**Code of Practices and Procedures**

1. Prompt public disclosure of unpublished price sensitive information (‘UPSI’) shall be made as soon as, credible and concrete information comes into being in order to make such information generally available. “UPSI” shall mean as defined in clause 2.12 of definitions of the Company's Code of Conduct under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
2. Disclosure of UPSI shall be in a uniform and universal manner and shall not be on selective basis.
3. UPSI that gets disclosed selectively, inadvertently or otherwise, shall be promptly disseminated to make such information generally available.
4. Appropriate and fair response should be made to queries on news reports and requests for verification of market rumours by regulatory authorities
5. Information shared with analysts and research personnel should not be UPSI;
6. Proceedings of meetings with analysts and other investor relations conferences shall be recorded in writing and shall be promptly disseminated on the official website of the Company;
7. UPSI shall be handled on a need-to-know basis in accordance with the Company's Code of Conduct under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**LEGITIMATE PURPOSE:**

The Unpublished price sensitive information can be shared, as an exception, by an Insider for Legitimate purposes as per its “Policy for determination of Legitimate Purposes” (Annexure A) provided it is not shared to evade or circumvent the prohibition under this Regulation.

## **ANNEXURE A**

### **Policy for Determination of Legitimate Purpose**

#### **1. Background**

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information ('UPSI'), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by and subject to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Regulations') as amended from time to time and the Company's Code of Conduct under SEBI (Prohibition of Insider Trading) Regulation 2015 ('Code').

This "Policy on Determination of Legitimate Purpose" ('Policy') is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, in 2018 and is part of "Code of Practices and Procedures for Fair Disclosure of UPSI" of the Company. This policy is effective from April 1, 2019.

#### **2. Applicability (As specified in Code)**

This policy is applicable to all Insiders.

#### **3. Definitions**

As this Code and the Policy has to be read in conjunction with the Company's Code of Conduct under SEBI (Prohibition of Insider Trading) Regulation 2015 ('Code') Code of Conduct, all definitions given under that Code are applicable mutatis mutandis to this Code.

#### **4. Legitimate Purpose**

"Legitimate Purpose" shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis and in the interest of the Company. Legitimate Purpose shall inter alia include sharing of UPSI on need to know basis by an insider with Directors, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations. In following cases which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

i. For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;

Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.

ii. Under any proceedings or pursuant to any order of courts or tribunals;

Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

iii. As part of compliance with applicable laws, regulations, rules and requirements;

Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.

iv. Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.

Example: Due-diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.

v. Arising out of business requirement including requirement for the purposes of promoting the business and Strategies of business which may require sharing of information with third parties.

Example: Some of the examples which are illustrative in nature are as mentioned below;

- Sharing the relevant UPSI for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
- Sharing the relevant UPSI with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
- Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, reorganization, operation improvement, technology and similar domains;
- Sharing the relevant UPSI with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender;
- Sharing the relevant UPSI for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- Sharing the relevant UPSI for statutory consolidation requirements or related customary disclosure obligations;
- Sharing the relevant UPSI with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

## **5. Process for sharing UPSI**

The insider shall conduct the following steps while sharing UPSI:

- i) Satisfy that information is UPSI and sharing is for legitimate purpose
- ii) Identify the persons with whom the information is to be shared
- iii) Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- iv) Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
- v) Obtain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared and provide the same to the Compliance Officer of the Company for maintaining the data base. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

## **6. Policy Review**

The Policy may be reviewed periodically in accordance with review of internal control and check as well as changes of any regulatory requirements from time to time.

In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.

**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE  
SENSITIVE INFORMATION (“UPSI”)  
[Under Regulation 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations,  
2018]**

*Effective from 01.04.2019*

## **1. BACKGROUND**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (‘UPSI’) and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of Binny Mills Limited has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (‘the policy’) for adoption.

## **2. OBJECTIVES**

- (i) To strengthen the internal control system to detect and enquire leak of UPSI.
- (ii) To restrict and prohibit the practice of sharing of UPSI, with un-authorized persons, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors’ confidence in the company.
- (iii) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same as well as the results of such inquiries to the Securities and Exchange Board of India (“SEBI”) promptly.
- (iv) To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating the Code of Conduct for Insider Trading and Code of Practices and Procedures for Fair Disclosure of UPSI.

## **3. DEFINITIONS**

- (i) “Leak of UPSI” shall mean unauthorised communication of information by any Insider, Employee & Designated Persons or any other known or unknown person to any other person without following the due process prescribed in this behalf in the Code of Conduct for Insider Trading and Code of Practices & Procedures for Fair Disclosure of UPSI of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

## **4. RESPONSIBILITIES OF COMPLIANCE OFFICER (‘CO’)**

The CO shall be responsible to;

- (i) Oversee the Compliance of this policy
- (ii) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Chairman of the Board of Directors and the Chairman of the Audit Committee
- (iii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- (iv) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.

## **5. INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:**

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

## **7. DUTIES OF THE AUDIT COMMITTEE:**

The Audit Committee shall be responsible:-

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.

## **8. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:**

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-known person, the CO after informing the same to the Managing Director, shall follow the below mentioned procedure in order to enquire and/or investigate the matter:-

### **(a) Preliminary Enquiry:**

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry 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 on any disciplinary action.

The Audit Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

### **(b) Report of Preliminary Enquiry to the Audit Committee:**

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit His/her report to the Audit Committee within 7 days from the date of his appointment on this behalf.

### **(c) Disciplinary Action:**

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Audit Committee.

## **9. AMENDMENT**

The Board of Directors of the Company, subject to 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.

(‘Annexure A’)

**FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES**

**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

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

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully  
For Binny Mills Limited

Compliance Officer

(‘Annexure B’)

**FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO  
THE SEBI**

To,

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, and 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 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

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully  
For Binny Mills Limited

Compliance Officer