

**POLICY ON INQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

**POLICY FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

**[Under Regulation 9A of Securities and Exchange Board of India (Prohibition of
Insider Trading) Regulations, 2015]**

Adopted at the meeting of the Board held on 25th March, 2023

PREAMBLE

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Regulations) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (“UPSI”) and initiate appropriate action on becoming aware of leak of UPSI and inform the Securities and Exchange Board of India (“SEBI”) promptly of such leaks, inquiries and results of such inquiries. In this regard, the Board of Directors of Sterling Powergensys Limited (“Company”) has laid down this policy for procedure of inquiry in case of leak of UPSI (the “Policy”), for adoption.

APPLICABILITY

This Policy shall be applicable with effect from 25th March, 2023.

OBJECTIVE

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) 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.
- (iii) To restrict and prohibit the practice of sharing of UPSI, unless permitted, as any leak of UPSI may lead to loss of reputation and may adversely impact the faith reposed by the stakeholders in the Company.
- (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to SEBI.
- (v) To take disciplinary actions, if deemed fit against any Insider, Employee and 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.

SCOPE

This Policy deals with-

- a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.

- b) Strengthening the internal control system to prevent leak of UPSI.
- c) Penalizing any insider who appears to have found guilty of violating this policy.

DEFINITIONS

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**).
- b. **“Code”** means the [BGMAL] Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.
- c. **“Compliance Officer”** shall mean the Compliance Officer of the Company appointed by the Board of Directors under the SEBI Listing Regulations.
- d. **“Leak of UPSI”** shall mean communication of UPSI by any Insider, Employee and Designated Persons to any person other than a person(s) authorized by the Board of Directors of the Company after following the due process prescribed in this behalf in the Code of Practices for Fair Disclosure of the Company and /or under SEBI Listing Regulations and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, reamendment or re-enactment thereto.
- e. **“Unpublished price sensitive information or UPSI”** means 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: –
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals, and expansion of business and such other transactions;
 - (v) changes in key managerial personnel;
 - (vi) such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer from time to time. .
- f. **“Whistle Blower”** means an employee of the Company making a disclosure under the Whistle Blower Policy.
- g. **“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.

- h. **“Structured Digital Database”** shall mean the database maintained by the Company in accordance with clause 3(5) of the Regulations.

DUTIES OF COMPLIANCE OFFICER

The Compliance Officer shall be responsible to;

- a. Oversee the compliance of the Policy.
- b. On becoming aware about the incident of actual or suspected leak of UPSI, promptly intimate the Enquiry Committee as appointed by the Board of Directors of the Company (**“Board”** or **“Board of Directors”**) from time to time along with the relevant facts for initiating appropriate inquiries.
- c. Intimate to the Board of Directors of such leaks, inquiries and results of such inquiries.
- d. Intimate to the SEBI and stock exchanges of such actual or suspected leaks, inquiries and results of such inquiries.

DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES & SEBI:

On becoming aware of actual or suspected leak of UPSI of the Company, the Compliance Officer shall ensure that the same shall be promptly intimated to the stock exchanges on which the securities of the Company are listed and to the SEBI.

CONSTITUTION OF ENQUIRY COMMITTEE:

The Managing Director or any officer authorized by the Board in this behalf, shall constitute a Committee to be called as **“Enquiry Committee”**. The Enquiry Committee shall consist of minimum 2 (two) Members which shall include Managing Director. The Managing Director may change/alter/re-constitute the Enquiry Committee as may be required from time to time.

DUTIES OF ENQUIRY COMMITTEE:

The Enquiry Committee shall be responsible; (a) To conduct a detailed enquiry 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.

POWERS OF ENQUIRY COMMITTEE

For purpose of conducting inquiry, the Enquiry Committee may:

- a) 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.
- b) at its discretion, invite external investigators/experts.
- c) 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.
- d) keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- e) notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- f) do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation

SHARING OF UPSI

- a) A person who is covered under the Code and who is in possession of or having access to the UPSI, shall share the UPSI only for legitimate purposes, performance of duties or discharge of legal or statutory obligations, in adherence to the Code.
- b) When any UPSI is shared, it must be recorded in the Structured Digital Database of the Company in the manner as prescribed in the Code.
- c) Any non-compliance with sub clauses above will be construed as leakage of UPSI.

PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

A) Source of information relating to leak of UPSI

The Chairperson of Audit Committee may on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from:

- the Suspect
- any other person, including employees of the Company
- regulators

follow the below mentioned procedure in order to inquire and/or investigate the matter.

However, in case of in case of instance(s) reported through the Whistle Blower mechanism, the investigation process mentioned in the Whistle Blower Policy shall be followed. The Whistleblower Policy is available on the website of the Company.

B) Preliminary Inquiry:

The object of preliminary inquiry is fact-finding, 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 initiate further investigation/inquiry.

The Chairman of Audit Committee shall forthwith forward such intimation to the CFO to conduct a preliminary inquiry headed by Compliance Officer. The said inquiry shall be completed within 2 working days from the date of receipt of such intimation and report thereof shall be circulated to the Chairperson of the Audit Committee/ CFO and Compliance Officer.

C) Intimation of Leak or suspected Leak of UPSI

If in the opinion of Chairperson of Audit Committee/CFO and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to the Board of Directors and Enquiry Committee for detailed investigation.

The Compliance Officer shall simultaneously intimate SEBI about such Leak or suspected Leak of UPSI.

D) Investigation by Enquiry Committee

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Enquiry Committee is required to initiate the investigation. The said investigation shall be completed within 15 working days from the date of receipt of report of the preliminary inquiry. The Enquiry Committee's investigation report shall be submitted to the Audit Committee and summary report shall be submitted to Board immediately, and such report shall also be submitted to SEBI simultaneously.

E) Rights and Obligations of the Suspect

a) The Suspect shall-

- co-operate with the Enquiry Committee during the investigation process.
- have a right to consult with a person or persons of their choice, other than members of Enquiry 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 wrongdoing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

F) Consequences of Non-Compliance

a) On receipt of report of Enquiry 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, claw back, 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. The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

d) SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect.

AMENDMENT:

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. This Code shall be published on the official website of the Company. Subsequent modification(s)/amendment(s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment thereto shall automatically apply to this Code.