

## **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

[According to Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

### **INTRODUCTION:**

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" (hereinafter referred to as 'Policy'. This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

### **OBJECTIVE:**

The objective of this policy is to identify legitimate purposes for performance of duties or discharge of legal obligations, which will be considered as exceptions for the purpose of procuring unpublished price sensitive information relating to the Company.

### **DEFINITIONS:**

The term "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with the following , provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

1. Promoters of the Company
2. Partners of the Audit firm, who is appointed for Statutory Audit
3. Partners of the Audit firm, who is appointed for Internal Audit
4. Staff Members of the Audit firm conducting the Audit
5. Collaborators
6. Bankers
7. Customers
8. Vendors / Suppliers
9. Legal Advisors

10. Insolvency Professionals
11. Consultants
12. Analysts
13. Any other Advisors
14. Assisting or Advising Companies
15. Secretarial Auditor
16. Employees including Secretarial Staff of the Company
17. Designated persons including their immediate relatives
18. Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
  
19. Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information

## **INSIDER**

As per Regulation 3(2B) any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations."

## **INTERNAL CONTROL**

The Chief Executive Officer, Chief Relation Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

The Internal Control include the following:

- (a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- (b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- (c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;

- (d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- (e) all other relevant requirements specified under these regulations shall be complied with;
- (f) periodic process review to evaluate effectiveness of such internal controls.

The board of directors of every listed company and the board of directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with these regulations.

### **AUDIT COMMITTEE**

The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year shall verify that the systems for internal control are adequate and are operating effectively.

### **LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly 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

The board of directors shall in consultation with the compliance officer(s) specify the designated persons to be covered by such code on the basis of their role and function in the organization.

### **TRADE RESTRICTIONS PERIOD**

Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results

## **Explanation**

The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- (a) immediate relatives
- (b) persons with whom such designated person(s) shares a material financial relationship
- (c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

## **MATERIAL FINANCIAL RELATIONSHIP**

The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

The Companies shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information

The Board is authorized to amend or modify this Code in whole or in part and may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

## AMENDMENT

The Board of Directors of the Company, subject to applicable Laws, Rules and Regulations may amend/substitute any provisions with a new provisions or replace this entire policy with a new Policy.

In any circumstance where the terms of this Policy differ from any Laws, Rules, and Regulations etc. for the time being in force, the Laws, Rules, Regulations etc. shall take precedence over this Policy.

Subsequent modification(s) / amendment (s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

This Code shall be published on the official website of the Company.

This Code has been adopted by the Board of Directors of **Bhoruka Aluminium Limited through Resolution by Circulation passed by the Directors on 1<sup>st</sup> April, 2019** and shall be deemed to have come in to force from **1<sup>st</sup> April, 2019** and **supersedes the earlier policy adopted by the Board on 14<sup>th</sup> May, 2015.**