



Approved by the Board on 18.05.2019

Version: 1

HIND RECTIFIERS LIMITED

POLICY FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION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

BACKGROUND

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (“UPSI”) and initiate appropriate inquiries on becoming aware of leak of UPSI and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

APPLICABILITY

This policy shall apply to all designated persons and immediate relative of designated persons and persons in possession of or having access to UPSI.

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 and Designated Persons with any person, firm, company or Body Corporate.
- (iii) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India promptly.
- (iv) 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 and Designated Persons.

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To lay procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

DEFINITIONS

Compliance Officer means a person appointed as a Compliance officer by Board of Directors under Securities and Exchange Board India Regulations.

Leak of UPSI shall refer to such act/ circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person, association, body,



firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

Unpublished Price Sensitive Information (“UPSI”) means any information, relating to a company or its securities, directly or indirectly, that is not generally available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 include but not restricted to, information relating to the following;

- financial results;
- dividends;
- change in capital structure
- mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- changes in key managerial personnel;

Note: Words and expressions used in this policy but not defined herein shall have the same meaning as described to it in SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India Act or Rules and Regulations made there under, Companies Act, 2013 or Rules made there under or any other relevant legislation/law applicable to the company, as amended from time to time.

DUTIES OF COMPLIANCE OFFICER

The Compliance Officer shall be responsible to

- a. on becoming aware about the incident of actual or suspected leak of UPSI, promptly intimate to the Enquiry Committee along with the relevant facts for initiating appropriate inquiries;
- b. intimate to the Board of Directors of such leaks, inquiries and results of such inquiries.

DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES AND SEBI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information 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.

INQUIRY COMMITTEE

Inquiry Committee shall consist of the following persons:-

- Chief Financial Officer
- Head of Human Resources
- Any two other persons nominated by Chief Executive Officer/Managing Director



If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

DUTIES OF ENQUIRY COMMITTEE

The Enquiry 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;
- 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.

PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI

On suo-motu becoming aware or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the company by any Insider, Employee or Designated Person, the below mentioned procedure be followed in order to enquire and/or otherwise investigate the matter.

a) **To take Cognizance of the matter:** The Enquiry Committee shall meet immediately as soon as possible 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 enquiry shall be initiated.

b) **Preliminary Enquiry:** The Enquiry Committee, if required may appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct preliminary enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

c) **Report of Preliminary Enquiry to the Enquiry Committee:** The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI shall submit his/her report to the Enquiry committee within seven days from the date of the appointment.

d) **Disciplinary Action:** The Disciplinary Action(s) shall include wage freeze, suspension, recovery, clawback, termination etc., as may be decided by the members of the committee.

AMENDMENT



HINDRECTIFIERSLIMITED

The Board of Directors of the company, in sync with applicable laws, rules and 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 policy shall be published on the official website of the company.