



PRAJ INDUSTRIES LIMITED

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

[Under Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Versions of the policy			
Sr. No.	Particulars	Board approval date	Effective date
1.	Initial adoption	25 th October, 2024	25 th October, 2024

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1. PREAMBLE

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations), Praj Industries Limited (the “**Company**”), being a listed company, is mandated to formulate a written policy and procedure for (i) inquiry in case of leak or suspected leak of unpublished price sensitive information (ii) informing the Board of Directors promptly of such leaks or suspected leaks, (iii) intimating the results of such inquiries.

In the above context, the Company has formulated this “**POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**” (“**Policy**”).

2. APPLICABILITY

This Policy shall be applicable with effect from 25th October, 2024.

3. OBJECTIVE

The Company endeavors to:

- a. preserve the confidentiality of Unpublished Price Sensitive Information (“**UPSI**”);
- b. restrict and prohibit the practice of sharing of UPSI;
- c. strengthening the internal policies and framework of the Company to prevent the Suspected Leak or Leak of UPSI;
- d. putting in place procedures for inquiry on becoming aware of Suspected Leak or Leak of UPSI;
- e. prevent the misuse of UPSI;
- f. penalize any person who has been found guilty of violating this Policy;
- g. promptly intimate the Board of Directors of the Company and the regulatory authorities in case of leak or suspected leak of UPSI.

4. DEFINITIONS

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them under the SEBI PIT Regulations and the Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company (“**Code of Conduct**”). Unless otherwise provided for the following words and expressions shall, except where the context otherwise requires, have the following meanings respectively:

- a. “**Board**” means the Board of Directors of the Company;



b. “**Compliance Officer**” means the Company Secretary of Praj Industries Limited or in case the Compliance Officer is the Suspect, such other person as the Board may appoint;

c. "**Connected Person**" means:

any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
- (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;



- d. **“Designated Persons”** shall mean and include;
- (i) All directors of the Company;
 - (ii) Promoters and members of Promoter Group of the Company;
 - (iii) Employees upto two levels below Chief Executive Officer
 - (iv) Every employee in the Corporate, finance/treasury, accounts, taxation, secretarial, Corporate Communications and legal department who have access to UPSI;
 - (v) Key Managerial Personnel (as defined in Section 2(51) of the Companies Act, 2013) of the Company;
 - (vi) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
 - (vii) Employees of IT function of the Company who are in possession or likely to be in possession of Unpublished Price Sensitive Information;
 - (viii) All employees working in the offices of the Chairman CEO & Managing Director and Whole-time Director of the Company;
 - (ix) Any other employees as may be designated/ notified by the Compliance Officer in consultation with the Board from time to time, who may be considered to be in possession of Unpublished Price Sensitive Information; and
 - (x) Immediate Relatives of persons specified in (i) to (viii) above.
- e. **“Insider”** means any person who is:
- (i) a connected person; or
 - (ii) in possession of or having access to Unpublished Price Sensitive Information;
- f. **“Leak of UPSI”** shall mean communication of information which is / shall be UPSI by any Insider, employee & Designated Persons or any other known or unknown person to any person but shall exclude a person(s) or communication authorized by the Board or Compliance Officer of the Company after following the due process prescribed in this behalf in the Code of Conduct and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Amended Regulations, 2018 and any amendment, re-amendment or re-enactment thereto.
- g. **“SEBI”** shall mean the Securities Exchange Board of India;
- h. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- i. **“Suspect”** means the person or persons against or in relation to whom an inquiry is initiated in case of Suspect Leak or Leak of UPSI;



- j. **“Suspected Leak of UPSI”** shall mean where there exists a suspicion in relation to any Leak of UPSI;
- k. **“Unpublished Price Sensitive Information”** means any information, relating to the 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; and
 - v. changes in key managerial personnel.
- l. **“Whistle Blower”** means an employee making a disclosure under the Whistle Blower Policy.

5. PROCEDURE FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UPSI

The Compliance Officer, the Audit Committee, the Directors, the Chief Executive Officer, as the case may be, on becoming aware of any Suspected Leak or Leak of UPSI, either *suo moto* or from information received from any other person, including employees of the Company, Insiders, Designated Persons, SEBI or any other regulator shall, immediately intimate the Board of the Company of such Suspected Leak or Leak of UPSI and follow the below mentioned procedure in order to inquire and/or investigate the matter.

6. PRELIMINARY INQUIRY

- a. 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.
- b. The preliminary inquiry shall be conducted for the purpose of fact-finding and shall be headed by the Compliance Officer along with such other persons as the Board may approve.



- c. The preliminary inquiry shall be completed within 7 (seven) working days from the intimation of the complaint and the report of the same shall be prepared (“**Preliminary Inquiry Report**”).

7. FINDINGS OF PRELIMINARY INQUIRY

- a. If the findings of the Preliminary Inquiry Report indicates that there exists no truth in the said allegations, then the Compliance Officer shall submit such Preliminary Inquiry Report to the Board and subject to approval of the Board, conclude the said Preliminary Inquiry.
- b. If the findings of the Preliminary Inquiry Report warrants the need for further investigation, the Preliminary Inquiry Report shall be immediately submitted to the Board, Stock Exchanges on which the securities of the Company are listed and SEBI.

8. CONSTITUTION OF INQUIRY COMMITTEE

In case of (b) above,

- a. The Board of Directors or any Committee authorized by them in this behalf shall, within 7 (seven) working days from the receipt of the Preliminary Inquiry Report, constitute a committee to be called as “**Inquiry Committee**”.
- b. The Inquiry Committee shall consist of minimum 3 (three) Members which shall include CEO & Managing Director, Chief Financial Officer and Compliance Officer and any other officer of the Company or an External Member as may be mutually decided by CEO & Managing Director, Chief Financial Officer and the Compliance Officer of the Company.
- c. 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.

9. POWERS OF THE INQUIRY COMMITTEE

- a. For purpose of conducting inquiry, the Inquiry Committee may:
 - (i) notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence;
 - (ii) keep the identity of the Suspect confidential till the completion of inquiry, unless otherwise approved by the Board;

- (iii) call upon such employees/ individuals/ Insiders/ Designated Persons/ Intermediaries/ Fiduciaries or any other persons to seek clarification or information pertaining to the leak;
- (iv) invite, at its discretion, external investigators/experts;
- (v) take necessary actions including sending the Suspect on compulsory 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;
- (vi) do or authorize any person to do all such reasonable acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

10. DUTIES AND INVESTIGATION OF INQUIRY COMMITTEE

The Inquiry Committee shall be responsible to:

- (i) conduct an Inquiry to ascertain whether there is Suspected Leak or Leak of UPSI;
- (ii) follow the principles of natural justice while conducting the inquiry;
- (iii) authorize any person to collect necessary support material;
- (iv) ensure that no allegation of wrongdoing against a Suspect is considered as maintainable unless there is good evidence in support of the allegation;
- (v) in case of Suspected Leak of UPSI, within 7 (seven) working days indicate immediate measures which may be taken by the Board;
- (vi) decide disciplinary action thereon;
- (vii) submit its detailed report of the investigation within 15 (fifteen) working days from the date of its constitution (“**Inquiry Committee’s Report**”) to the Board, Stock Exchanges on which the securities of the Company are listed and SEBI.

11. DISCIPLINARY ACTION

The Inquiry Committee, on the completion of the Inquiry, shall provide for any disciplinary action(s) against the Suspect which shall include, wage freeze, suspension/discontinuation of services, recovery, claw back, termination, holding of employment benefits such as promotion, payment of incentive or performance allowance etc. as may be decided by the Inquiry Committee.

12. DUTIES OF COMPLIANCE OFFICER

- a. The Compliance Officer of the Company shall administer this Policy and shall ensure that the contents of this Policy and any amendment made thereof are communicated to employees, Insiders and Designated Persons.

- b. The Compliance Officer shall either *suo moto*, or post a disclosure is made by a Whistle Blower, or by a receipt of a written intimation, inform the Board of the same immediately;
- c. The Compliance Officer shall co-ordinate with and disclose the relevant facts of the incident of Suspected Leak or Leak of UPSI to the Inquiry committee.
- d. The Compliance Officer shall ensure that the Inquiry Committee's Report is provided to the Chairman of the Audit Committee or other analogous body, if any, or to the Chairman of Board.
- e. The Compliance Officer shall ensure that the gap between clearance of accounts by audit committee and the Board meeting should be as narrow as possible and preferably shall be on the same day to avoid leakage of material information.
- f. The Compliance Officer shall ensure that the disciplinary action is taken against Suspect may be executed within 15 (fifteen) working days from receipt of Inquiry Committee's report in consultation with Board.

13. RIGHTS AND DUTIES OF THE SUSPECT

- a. The Suspect shall at all times co-operate with the Inquiry Committee during the investigation process.
- b. The Suspect shall have a right to consult with a person or persons of their choice, other than members of Inquiry Committee, and right to be informed of the outcome of the investigation.
- c. The Suspect 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.

14. CO-OPERATION

If an inquiry is initiated by the Company in case of Suspected Leak or Leak of UPSI, the employees/ Insiders/ Designated Persons/ Intermediaries and Fiduciaries engaged by the Company shall be duty bound to co-operate with the Company and the Inquiry Committee in connection with such inquiry conducted by the Company.



15. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

In case of any subsequent changes in the provisions of SEBI PIT Regulations, which makes any of the provisions in the Policy inconsistent with the SEBI PIT regulations, the amended provisions of the SEBI PIT regulations would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with law.

For Praj Industries Ltd.

Sd-/

Dr. Pramod Chaudhari
Executive Chairman

Date: 25th October, 2024