

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LEAK OF UNPUBLISHED PRICE SENSITIVE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

(Pursuant to Regulation 9A (5) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015)

R K SWAMY LIMITED

1. BACKGROUND

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every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of R K Swamy Limited (“**the Company**”) has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (‘the policy’), for adoption.

2. OBJECTIVE

- 2.1. To comply with the provision of Sub-regulation 5 of Regulation 9A of SEBI (Insider Trading Regulations) Regulation, 2018
- 2.2. To strengthen the internal control system to prevent leak of UPSI
- 2.3. To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors’ / financiers’ confidence in the company.
- 2.4. To have a uniform code to curb the un-ethical practices of sharing UPSI by insiders, Employee & Designated Person with any person, firm, Company or Body Corporate.
- 2.5. 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 (“**SEBI**”) promptly
- 2.6. To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

3. GOVERNING REGULATION

- 3.1. This policy shall apply to all Designated Persons and immediate Relative of Designated Persons and persons in possession of or having access to unpublished price sensitive information.

4. DEFINITIONS:

- 4.1. “**Code**” means the Company’s Code of Conduct.
- 4.2. “**Company**” means R K SWAMY Limited.
- 4.3. **Complainant:** means and includes a person who makes complaint pertaining to leak or suspected leak of UPSI
- 4.4. ‘**Compliance Officer**’ for the purpose of the Regulations means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

- 4.5. **“Inquiry Committee”** means a committee constituted by the Board or Audit Committee of the Board to conduct preliminary Inquiry and to carry out such duties as required under the SEBI PIT Regulations and directed by the Board or Audit Committee.
- 4.6. **“Key Managerial Personnel”** means person as defined in Section 2(51) of the Companies Act, 2013.
- 4.7. **“Leak of UPSI”** shall refer to such act / circumstance(s) by virtue of which an UPSI is made available or becomes available before its official publication or announcement or formal circulation in public domain, by any means or mode to any person, whether known or unknown, other than the person(s) as authorized by the Board but shall not include the following information which is shared for following purposes:
- a) Information / details shared for legitimate purpose
 - b) Information / details shared on performance of duties
 - c) Information / details shared towards discharge of legal functions.
- 4.8. **“PIT Regulations”** means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 as amended from time to time.
- 4.9. **“Policy”** shall mean the Policy for dealing with leak of UPSI.
- 4.10. **“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 described in Regulation 2 (1) (n) of SEBI PIT Regulations.

5. DUTIES OF COMPLIANCE OFFICER

The Compliance officer 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 Inquiry committee.
- (iii) Report the incident of actual or suspected leak of UPSI to the SEBI.

6. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI:

- 6.1. Inquiry under this policy shall commence based on a written complaint received or becoming aware or otherwise of actual or suspected leak of UPSI or by complaint from any employee of the Company, department of the Company, Registrar and Share Transfer Agent, designated person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government or any other person whether known or unknown.
- 6.2. The complaint shall inter alia state details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
- 6.3. The Complaint shall be addressed to the Compliance Officer or Managing Director. Complaint pertaining to Compliance Officer shall be addressed to Managing Director of the Company.
- 6.4. Within 5 (five) working days of receipt of the complaint Compliance Officer, shall write to the

complainant in the specified format intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter. If Compliance Officer feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company then he or she will discard the complaint with reasons recorded in writing.

- 6.5. Within 7 (seven) working days of receipt of representation, Compliance Officer shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During the course of such investigation, Compliance Officer may call for such additional documents, representations, etc. as he may deem fit.
- 6.6. If no representation is received within the aforesaid stipulated time, Compliance Officer shall issue notice to the complaineo asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
- 6.7. On completion of the preliminary investigation under point 5, receipt of reply to the show cause notice issued under point 6 or on non-receipt thereof, Compliance Officer shall refer the matter to the Chairman of Inquiry Committee, along with his opinion, for his consideration.
- 6.8. Chairman of the Inquiry Committee on receipt of such opinion shall proceed to convene a meeting of the Inquiry Committee within a period of 45 days of receipt of opinion of Compliance Officer which shall further be placed at the meeting for further deliberation.
- 6.9. The Inquiry Committee may obtain such external assistance or opinion from such person/s, whether internal, as it may deem expedient in this regard. During the course of such inquiry, the Inquiry Committee may call for such additional documents, representations, etc. as it may deem fit.
- 6.10. The Inquiry Committee shall consider the matter and put forward its recommendation to the Board/ Audit Committee. The Board/Audit Committee, on receipt of such recommendation and after due review, if forms an opinion that the complainant is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary action against such complainant, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) Regulations, 2015 and any other statutory enactments, as applicable.

The disciplinary action(s) shall include issuance of warning letter, wage freeze, suspension, recovery, claw back, termination, etc. as may be decided by the Members of the Inquiry Committee.

7. AMENDMENT

- 7.1. Any modification in the policy on account of change in prevailing regulations will be carried out immediately and will be informed to all concerns.
- 7.2. Any other modifications will be carried out only with the previous approval of Board or any other committee as authorised by the Board.
- 7.3. Any amendment to the Policy shall be made in writing.

8. IMPLEMENTATION

The Policy shall be effective from the date of approval by the Board unless specified otherwise