

CHEMCRUX ENTERPRISES LIMITED – PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

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Approved by	Board of directors
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Version	1

CHEMCRUX ENTERPRISES LIMITED – PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

POLICY AND PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

As mandated by the SEBI (Prohibition of Insider Trading) Regulations, 2015 under regulation 9A (5) every listed company has to formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information (UPSI). The Board of Directors of Chemcrux Enterprises Limited have accordingly approved the policy and procedure for enquiry in case of leak of UPSI in the Board Meeting held on 25th March, 2019.

For the purpose of this policy :

‘Board’ shall mean the Board of Directors of Chemcrux Enterprises Limited.

‘Company’ means Chemcrux Enterprises Limited.

Chief Investor Relation Officer (“CIO”) shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

‘Designated Persons’ shall cover all employees whether contractual or otherwise, persons / entities stated under Regulation 9(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and other connected persons as defined under Regulation 2(d) of the SEBI (Prohibition of Insider Trading) Regulations, 2015

‘Leak of UPSI’ shall mean communication of information which is / shall be UPSI, by any means or mode by any Insider, Employee & Designated Persons or any other known or unknown person to any person association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise, other than a person(s) authorized by the Board or Chief Investor Relation Officer (CIO) of the Company, 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‘Unpublished Price Sensitive Information’ (UPSI) Shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally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, informations stated under Regulation 2(n) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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I. SCOPE

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, Insider, employee, designated person, connected person, support staff or any other known or un-know person(s) with any unauthorized person or entity which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the company.

II. Applicability

This policy shall be applicable with effect from April 1, 2019.

III. Duties of Chief Investor Relations Officer:

The CIO shall be responsible to;

- (i) Oversee the Compliance of this policy.
- (ii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee.

IV. Constitution of Enquiry Committee:

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a committee to be called as "Enquiry Committee". The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Whole Time Director and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by Managing Director, Whole Time Director and Chief Investor Relation Officer of the Company.

V. Duties of Enquiry Committee:

The Enquiry Committee shall be responsible to

- (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; and
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.

VI. Procedure for inquiry in case of leak of UPSI or suspected leak of UPSI

- 1. Inquiry under this policy shall commence suo moto or based on a written complaint received from any employee, department of the Company, regulatory / statutory

CHEMCRUX ENTERPRISES LIMITED – PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

authority or any other person(s) known or unknown, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, connected person support staff or any other known or un-know person.

2. The complaint shall interalia state particulars of the complainee and 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.
3. The Complaint shall be addressed to the Company or Board or Enquiry Committee or Chairman or Managing Director (MD) or Whole Time Director or Chief Investor Relation Officer, by whatever name called. The complaint shall then be referred to the Enquiry Committee.
4. The Enquiry Committee shall appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.
5. Within 5 (five) working days of receipt of the complaint the authorised person, shall write to the complainee 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 he 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 will discard the complaint with reasons recorded in writing.
6. Within 7 (seven) working days of receipt of representation, the Authorised person 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, he may call for such additional documents, representations, etc. as he may deem fit.
7. If no representation is received within the aforesaid stipulated time, he shall issue notice to the complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
8. On completion of the preliminary investigation under point 6, receipt of reply to the show cause notice issued under point 7 or on non-receipt thereof, the authorised person shall refer the matter to the Enquiry Committee, alongwith his opinion.
9. Chairman of the Enquiry Committee on receipt of such opinion shall proceed to convene a meeting of the Committee and shall actually convene the concerned meting within a period of 15 days of receipt of opinion of the authorised person.
10. The Enquiry Committee shall consider the matter and put forward its recommendation including disciplinary actions if any, to the Board. The Board, on

CHEMCRUX ENTERPRISES LIMITED – PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

receipt of such recommendation and after due review, if forms an opinion that the complainee is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the company, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any other statutory enactments, as applicable. The Disciplinary action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Committee.

11. The Company suo moto reserves the right of initiating an inquiry under this policy against any designated person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.
12. This policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Vigil Mechanism Policy of the Company.
13. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.
14. Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time.

