

PRUDENT CORPORATE ADVISORY SERVICES LIMITED

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Policy to Report Instances of Leak of Unpublished Price Sensitive Information & Procedures for Inquiry Thereon

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1. INTRODUCTION

The Securities & Exchange Board of India (SEBI) has amended “Prohibition of Insider Trading Regulations, 2015” (Amended Regulations) vide its Notification dated December 31, 2018 and made it effective from April 1, 2019. The Amended Regulations require every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information which shall be approved by the board of directors of the company and initiate appropriate inquiries on becoming aware of leak of such unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries. Furthermore, the Amended Regulations also require formulation of a whistle blower policy to enable employees to report instances of leak of Unpublished Price Sensitive Information.

2. DEFINITIONS

- (i). **“Board”** shall mean the board of directors of the Company.
- (ii). **“Company”** shall mean Prudent Corporate Advisory Services Limited.
- (iii). **“Compliance Officer”** means any senior officer, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Insider Trading Regulations, and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified under the Insider Trading Regulations under the overall supervision of the Board.
- (iv). **“Insider Trading Regulations”** means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
- (v). **“Internal Inquiry Committee”** means Committee consisting of Chairman of the Company, Managing Director, Chief Financial Officer and Company Secretary formed for the purpose of inquiry into leak of UPSI.
- (vi). **“Leak of Unpublished Price Sensitive Information”** means leak by an measure of price sensitive information prior to the official announcement made by the Company to Stock exchanges.
- (vii). **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification.
- (viii). **“Stock Exchange”** shall mean a recognised stock exchange on which the securities of the Company are listed.
- (ix). **“Unpublished Price Sensitive Information”** 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 relating to the following:

- a) Periodical financial results of the Company;
- b) Intended declaration of dividends (both interim and final);
- c) Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;
- d) Acquisition, Merger, De-merger, Amalgamation, Restructuring, Scheme of arrangement or takeovers;
- e) Disposal, spin off or selling division of whole or substantially whole of the undertaking;
- f) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- g) Changes in Key Managerial Personnel; &
- h) Other matters as may be prescribed by SEBI/considered by the Compliance Officer to be price sensitive from time to time.

All terms used but not defined herein shall have the meaning ascribed to such term under the Insider Trading Regulations. In case of any discrepancy between the Insider Trading Regulations and the terms defined herein, the meaning as ascribed under the Insider Trading Regulations, shall prevail.

3. OBJECTIVE

The objective of this policy is to strengthen the internal controls and lay down procedures to be followed while inquiring into the instances of leak or suspected leak of Unpublished Price Sensitive Information. The policy also provides for whistle blower mechanism to enable employees to report instances of leak of Unpublished Price Sensitive Information.

4. REPORTING OF LEAK OF UPSI

The employees of the Company can report the issue of leak or suspected leak of UPSI to any member of the Internal Inquiry Committee either by email, in person or by letter. Such employees can remain anonymous or disclose their identity if he or she so desire.

5. PROTECTION OF THE COMPLAINANT

The employees who report leak of UPSI and assist in any inquiry or investigation will be protected against retaliation, harassment or discrimination. The identity of the complainant shall be kept confidential and hence such issues of leak of UPSI shall be reported without any fear of retaliation.

6. INTERNAL INQUIRY COMMITTEE

An internal inquiry committee ("Committee") consisting of Chairman of the Company, Managing Director, Chief Financial Officer and Company Secretary or any other officer as may be decided by the Managing Director shall inquire into instances of leak or suspected leak of Unpublished Price Sensitive Information.

7. PROCESS AND PROCEDURE FOR INQUIRY INTO LEAK OF UPSI

The Committee shall promptly meet on becoming aware of instances of leak or suspected leak of UPSI. All complaints will be investigated professionally and in a fair manner. The specific action to be initiated will be decided based on the nature and gravity of the reported issue or circumstances or the quality of information provided. More particularly, the Committee shall follow below process in inquiring the instances of leak of UPSI :

- i. Review the contents of the complaint/instances of leak of UPSI.
- ii. The Committee shall then conduct a preliminary inquiry which will enable the Committee to decide appropriate course of action.
- iii. Based on the findings in the preliminary inquiry, the Committee shall decide whether to proceed to investigate the issue or close it.
- iv. If the Committee decides to investigate the issue further, it shall conduct such further inquiry as it may deem fit and collect all evidences in the matter.
- v. The Committee may take such internal or external assistance as it may think proper in order to gather all facts and arrive at a conclusion as to the leak of UPSI.
- vi. The investigation shall be conducted within a period of 30 days from the date of becoming aware of such leak or suspected leak of UPSI.

8. PREVENTIVE MEASURES

The Committee shall undertake such preventive measures as to strengthening of internal control system to prevent the leak of UPSI. Such measures shall include identification and marking of UPSI, sensitization of employees and other intermediaries/fiduciaries to maintain confidentiality, execution of confidentiality declarations, notifying persons receiving UPSI stating safeguards etc.

9. DISCIPLINARY ACTION

The Committee shall take disciplinary action against the person responsible for leak of UPSI which may include suspension, termination for repetitive offenders, wage freeze, claw back of benefits etc. as may be decided on case to case basis.

10. INTIMATION TO SEBI

The Committee shall promptly inform SEBI the instances of leak or suspected leak of information. The result of inquiry conducted shall also be communicated to SEBI immediately on conclusion of such inquiry along with action initiated to prevent leak of such UPSI.

11. POLICY REVIEW AND AMENDMENTS

The Board reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.
