

*POLICY AND PROCEDURES FOR REPORTING AND INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI): KEI INDUSTRIES LIMITED*



**KEI INDUSTRIES LIMITED**

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**POLICY AND PROCEDURES FOR REPORTING AND INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

*[Pursuant to Regulation 9A (5) and (6) of SEBI (Prohibition of insider Trading) Regulations, 2015]*

**1. INTRODUCTION:**

- 1.1** Unpublished Price Sensitive Information (**“UPSI”**) means any information, relating to a Company or its securities, directly or indirectly, that is not generally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.
- 1.2** Regulation 9A (5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**“SEBI (PIT) Regulations”**) has mandated every listed Company to frame a written policy and procedures for inquiry in case of leak or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak or suspected leak of UPSI and inform the Securities and Exchange Board of India (**“SEBI”**) promptly of such leaks, inquiries and results of such inquiries.
- 1.3** Regulation 9A (6) of the SEBI (PIT) Regulations has mandated every listed Company to frame a whistle blower policy and make aware of such policy to enable Employees to report instances of leak of UPSI.
- 1.4** In this regard, the Board of Directors of KEI Industries Limited (**“the Company”**) has framed the policy and procedures for reporting and inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information (**“the Policy”**) for adoption.

**2. OBJECTIVES OF THE POLICY:**

- 2.1** To strengthen the internal control system of the Company to prevent leak of UPSI;
- 2.2** To restrict and prohibit the practice of sharing of UPSI with unauthorized person;
- 2.3** To have a uniform code to curb the unethical practice of sharing UPSI by Insiders, Employees and Designated Persons with any Person, Firm, Company or Body Corporate;

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- 2.4** To initiate inquiry in case of leak or suspected leak of UPSI and inform SEBI promptly; and
- 2.5** To take disciplinary actions if deemed fit, against any Insider, Employee and Designated Person who appears to be guilty of violating this Policy.

**3. SCOPE OF THE POLICY:**

- 3.1** The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. This Policy lays down procedures for filing any information / complaint in relation to leak or suspected leak of UPSI and inquiry thereof and to promptly inform SEBI of such leaks, inquiries and results of such inquiries.

**4. APPLICABILITY AND EFFECTIVE DATE:**

- 4.1** This Policy shall be applicable to all whistle blowers as defined under herein. This Policy shall come into force with effect from 01<sup>st</sup> April 2019.

**5. DEFINITIONS:**

- 5.1** “Act” means the Securities and Exchange Board of India Act, 1992.

- 5.2** “Company” shall mean KEI Industries Limited.

- 5.3** “Connected Person” means

- (i)** any person who is or has during the six months prior to the concerned act been associated with the 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 UPSI 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, -

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- 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 SEBI; 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;

**5.4 “Designated Persons”** means a person as designated by the Company in accordance with its Code of Conduct to Regulate, Monitor and Report Trading by Designated Person(s) and Their Immediate Relative(s) as formulated in accordance with Regulation 9(1) of SEBI (PIT) Regulations.

**5.5 “Employee(s)”** shall mean and include all Employees of the Company who have been working in India or outside India (*including Permanent Employees, Contractual Employees, apprentices, trainees etc.*) and Directors of the Company, whether a Whole Time Director/Managing Director or not;

**5.6 “Immediate relative”** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

**5.7 “Insider”** any person who is a connected person or in possession of or having access to UPSI.

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- 5.8 “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 Corporate, Agency, Society, Entity or 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.
- 5.9 “Protected Disclosure”** means any communication made under this policy with regard to leak or suspected leak of UPSI.
- 5.10 “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.
- 5.11 “SEBI”** means Securities and Exchange Board of India.
- 5.12 “SEBI (PIT) Regulations”** means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 5.13 “Suspect”** means the person(s) against or in relation to whom an inquiry is initiated in case of a leak or suspected leak of UPSI
- 5.14 “Suspected leak of UPSI”** shall refer to such act / circumstance(s) which may or may not give rise to leak of UPSI.
- 5.15 “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 including but not restricted to, information relating to the following:
- 5.15.1** financial results;
  - 5.15.2** dividends;
  - 5.15.3** change in capital structure;
  - 5.15.4** mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - 5.15.5** changes in key managerial personnel.

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**5.16 “Whistle Blower”** means any person including but not limited to Designated Persons, Employees and Insiders to the Company along with their immediate relatives making a Protected Disclosure under this Policy.

**5.17 “Whistle Officer”** means an Officer(s) who is / are appointed to conduct detailed investigation of the disclosure received from the Whistle Blower and recommend disciplinary action. Currently, the Head of HR Department/ Head of Legal Function/Chief Financial Officer are appointed as Whistle Officer.

**6. COMMUNICATION OF PROTECTED DISCLOSURE**

**6.1** A Whistle Blower is eligible to make Protected Disclosures under the Policy either in the form of a written letter (in closed envelope) or by e-mail under the Policy.

**6.2** The Protected Disclosures shall be made to the Whistle Officer(s) at the following address:

The Head of HR Department/Head of Legal Functions/Chief Financial Officer  
Kei Industries Limited  
Address: D-90, Okhla Industrial Area, Phase-1, New Delhi-110020  
Email: [hrn@kei-ind.com](mailto:hrn@kei-ind.com), [kunal@kei-ind.com](mailto:kunal@kei-ind.com) and [rajeev@kei-ind.com](mailto:rajeev@kei-ind.com)

**6.3** In case the Protected Disclosure is against the Whistle Officer(s), the complaint can be lodged at the following address:

The Chairman-cum-Managing Director  
KEI Industries Limited  
Address: D-90, Okhla Industrial Area, Phase-1, New Delhi-110020  
Email: [anilgupta@kei-ind.com](mailto:anilgupta@kei-ind.com)

**7. ASCERTAINMENT OF PROTECTED DISCLOSURE**

**7.1** On receipt of Protected Disclosure, the Whistle Officer(s) shall first ascertain whether the information for which Protected Disclosure is made, is of UPSI or not and prepare a report ascertaining the outcome.

**7.2** The Whistle Officer(s) shall immediately on receipt of the Protected Disclosure may take necessary action and issue necessary guidance / directions to the concerned persons.

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**7.3** The Whistle Officer(s) shall endeavor to complete its report within 30 days and shall provide the report immediately to the Managing Director.

**8. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI:**

**8.1** The Whistle Officer, after completion of its report, shall ensure that such leaks, inquiries and results shall be promptly intimated to SEBI.

**9. TERMS OF REFERENCE OF THE WHISTLE OFFICER(S):**

**9.1** The Whistle Officer(s) shall be responsible for:

**9.1.1** Conducting a preliminary enquiry to ascertain the truth contained in the Protected Disclosure pertaining to actual or suspected leak of UPSI;

**9.1.2** Authorising any person, if required, to collect necessary support material;

**9.1.3** Considering the facts and circumstances of the case and deciding or giving directions in the matter;

**9.1.4** to keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation;

**9.1.5** to provide opportunity of being heard to the Suspect, during the inquiry proceedings; and

**9.1.6** Deciding disciplinary action thereon.

**10. POWERS OF THE WHISTLE OFFICER(S):**

For the purpose of conducting an inquiry, the Inquiry Committee may:

**10.1** call upon

**10.1.1** persons to seek clarification or information pertaining to the leak;

**10.1.2** person(s) involved in originating, processing and dissemination of relevant information;

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- 10.1.3** person(s) who had access to the information;
- 10.1.4** any market intermediaries, fiduciaries and other person(s)/ entity(ies) who have access to UPSI.
- 10.2** At its discretion, invite external investigators / experts
- 10.3** Take interim actions including sending the Suspect on leave, restrict physical access to any records or premises, freeze access to computer systems, electronic devices or emails, etc., during the pendency of the Inquiry.
- 10.4** To take disciplinary action thereon including the wage freeze, suspension, recovery, claw back, termination etc.
- 10.5** Do all such acts, deeds, matters and things as are necessary for the purpose of the conduct of the Inquiry.

**11. RIGHTS AND OBLIGATIONS OF THE SUSPECT**

**11.1** The Suspect shall

**11.1.1** Co-operate with the Inquiry Committee during the inquiry process.

**11.1.2** Provide necessary clarification and material in his defence.

**11.2** The Suspect has the responsibility to keep the inquiry proceedings confidential and not to interfere with the inquiry. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspect.

**11.3** No allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is evidence in support of the allegation as may be determined by the Inquiry Committee.

**11.4** Be informed of the outcome of the Inquiry.

**12. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:**

**12.1** To take cognizance of the matter:

**12.1.1** Enquiry under this Policy shall commence based on the Protected Disclosure received from Whistle Blower.

**12.1.2** The Whistle Officer(s) shall take cognizance of the matter and decide as follows:



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- a.** If the information is found to be untrue, baseless or frivolous, the same may be dismissed;
- b.** If it is found that the matter requires further investigation, preliminary enquiry may be initiated.

**12.2 Preliminary Enquiry:**

**12.2.1** Preliminary enquiry is a fact finding exercise to be conducted by the Whistle Officer(s) and/or any other person appointed by the Whistle Officer(s). The object of the preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the Protected Disclosure and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to take disciplinary action.

**12.2.2** The Whistle Officer(s) shall appoint and/or authorize any person(s), as it may deem fit, to initiate/ conduct an enquiry to collect the relevant facts and material substances on actual or suspected leak of UPSI.

**12.2.3** The decision to conduct an inquiry is by itself not an accusation and is to be treated as a neutral fact – finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

**12.2.4** The identity of Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.

**12.2.5** The inquiry shall be completed normally within 30 days of the receipt of the Protected Disclosure.

**12.2.6** On completion of the inquiry, the Whistle Officer(s) shall prepare a report and submit the same to the Managing Director within 15 days as stated in point 7.3 above.

**12.3 Disciplinary Action:**

**12.3.1** Based on the inquiry, the Whistle Officer(s) shall take necessary action, including disciplinary action(s) which shall include wage freeze, suspension, recovery, claw back, etc.

**12.4 Intimation to Audit Committee:**

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**12.4.1** The Managing Director shall prepare a report and present it to the Audit Committee on a quarterly basis, as per the below format:

<b>Protected Disclosures received during the relevant quarter</b>	<b>Protected Disclosures solved during the relevant quarter</b>	<b>Action Taken</b>	<b>Protected Disclosures unsolved during the relevant quarter</b>

**13. SUO MOTO ACTION**

**13.1** Notwithstanding anything contained hereinabove, the Whistle Officer(s) and/or the Managing Director suo-moto reserves the right of initiating an enquiry under this Policy against any person, if it has reasons to believe that such person has leaked UPSI or suspected to having leaked UPSI.

**14. RETENTION OF DOCUMENTS**

**14.1** All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of five years from the end of investigation or as mentioned in SEBI (PIT) Regulations.

**15. AMENDMENT:**

**15.1** This Policy may be amended from time to time by the Board of Directors of the Company based on the recommendation of the Whistle Officer(s).

**15.2** In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. The Whistle Officer(s) is authorized to make amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.