



APAR INDUSTRIES LIMITED

POLICY AND PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Applicable w.e.f. 1st April, 2019)

BACKGROUND

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“**SEBI PIT Regulations**”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

DEFINITIONS

The definitions of some of the key terms used in the Policy are given below.

‘Audit Committee’ shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

‘Board’ shall mean the Board of Directors of Apar Industries Limited.

‘Company’ means Apar Industries Limited.

‘Connected Person’ means :

- (i) 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 recognized 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;

‘Designated Person’ means:-

- (i) every employee in the grade of Assistant General Managers and above;
- (ii) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- (iii) any other employee as may be determined and defined under the Regulations.
- (iv) Connected Person

‘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.

‘Insider’ means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

'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, firm, agency, society, entity or to 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.

'Unpublished Price Sensitive Information' (UPSI) shall cover information's stated under Regulation 2(n) of SEBI (prohibition of Insider Trading) (Amendment) Regulations, 2018.

APPLICABILITY

This policy shall apply to all designated person and immediate relative of designated person, Insider and persons in possession of or having access to unpublished price sensitive information.

PROCESS OF INQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI

1. Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated employee, 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.
2. The complaint shall inter-alia state particulars of the Complainee (against whom the complaint is made) 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 Audit Committee or Chairman or Managing Director (MD) or Chief Executive Officer (CEO), or Compliance Officer by whatever name called.
4. Within 5 (five) working days of receipt of the complaint, MD 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 MD 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.
5. Within 7 (seven) working days of receipt of representation, MD 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, MD may call for such additional documents, representations, etc. as he may deem fit.

6. If no representation is received within the aforesaid stipulated time, MD 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.
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, MD shall refer the matter to the Chairman of the Audit Committee, alongwith his opinion, for his consideration.
8. Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and shall actually convene the concerned meeting within a period of 45 days of receipt of opinion of MD.
9. The Audit Committee shall consider the matter and put forward its recommendation to the Board. The Board, on 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.
10. 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.
11. 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.
12. The word MD or CEO wherever referred in this policy shall mean and include head of the Company, whether occupying board position or not, by whatever name called.
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.

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