



POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

[Under Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended]

(Policy effective from April 1, 2019)

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1. PURPOSE

The Securities and Exchange Board of India ("**SEBI**"), vide its notification dated January 15, 2015, had issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated December 31, 2018, called as the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("collectively known as **PIT Regulations**"). As per Regulation 9A of the PIT Regulations, every listed company is required to formulate a written policy and procedure for inquiry in case of leak or suspected leak of unpublished price sensitive information ("**UPSI**") and initiate appropriate action on becoming aware of leak of UPSI and inform the Board of Directors ("**Board**") promptly of such leaks, inquiries and results of such inquiries.

In this regard, the Board of Directors of Patel Engineering Limited, vide circular resolution no. 53 (i) dated March 30, 2019, has formulated and adopted this policy ("**Policy**") for the procedure of inquiry in case of leak of UPSI.

2. OBJECTIVE

- a) To strengthen the internal control system to prevent leak of UPSI. All UPSI shall be shared strictly on a need-to-know basis and preferably a record be maintained of persons with whom such information is shared. Information shared through e-mail and preservation of such e-mail shall be sufficient compliance in this regard.
- b) To restrict and prohibit the practice of sharing of UPSI, with any unauthorized person(s), which originates from within the Company and affects the market price of the Company as well as loss of reputation and investors / financier's confidence in the Company.
- c) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to SEBI promptly.
- d) To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons (each as defined below) who is found to have violated this policy and/or the PIT Regulations, apart from any action that SEBI may initiate/take against such Insider, Employee and/or Designated Persons.

3. APPLICABILITY

This policy shall apply to all Designated Persons and Immediate relatives of Designated Persons and persons in possession of or having access to UPSI.

4. DEFINITIONS

- a) "**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.
- b) "**Board**" shall mean the Board of Directors of the Company.
- c) "**Company**" means Patel Engineering Limited.
- d) "**Chief Investor Relations Officer**" or "**CIRO**" shall mean the person heading the Investors Relations Department of the Company.
- e) "**Designated Persons**" shall cover all employees whether contractual or otherwise, persons / entities stated under Regulation 9(4) of PIT Regulations and other connected persons as defined under Regulation 2(d) of the PIT Regulations.
- f) "**Immediate relative**" shall include persons defined under Regulation 2(f) of PIT Regulations.
- g) "**Unpublished Price Sensitive Information**" ("**UPSI**") shall cover information stated under Regulation 2(n) of PIT Regulations.
- h) "**Leak of UPSI**" shall refer to such act / circumstance(s)/ communication of information by virtue of which any 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 the public domain and which shall also include any purported attempt thereof.

Note: 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, 1992 or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, PIT Regulations or any other relevant legislation/law applicable to the Company, as amended from time to time.

5. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES AND SEBI

On becoming aware of actual or suspected leak of UPSI in respect of the Company, the CIRO shall ensure that the same is promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in “**Annexure A**” to this policy.

6. REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI

On becoming aware of actual or suspected leak of UPSI of the Company, and promptly pursuant to the intimation to the Stock Exchanges as per Clause 5 hereto, the CIRO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in “**Annexure B**” to this policy.

7. CONSTITUTION OF INQUIRY COMMITTEE

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a Committee to be called as “Inquiry Committee”.

The Inquiry Committee shall consist of minimum 3 (three) members which shall include the Managing Director, the Whole-time Director & Chief Financial Officer, and CIRO and / or any other officer(s) of the Company as the Board may deem fit.

The Managing Director may change/alter/re-constitute the Enquiry Committee as may be required from time to time.

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

- a) Inquiry under this policy shall commence upon receipt of a written complaint from any employee, 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 or statutory authority or any other department of Central or State Government.
- b) In case of actual or suspected leak of UPSI, an Inquiry Committee shall be constituted by the Board.
- c) The complaint shall, *inter alia*, 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. The complaint shall be addressed to the Company, the Board, the Audit Committee, the Managing Director, the Whole-time Director & Chief Financial Officer, or the CIRO.
- d) The Inquiry Committee shall meet within a period of 5 (five) working days after receipt of the written complaint as per sub-clause (a) of Clause 7 hereto, of actual or suspected leak of UPSI and take cognizance of the matter. If it is found that the allegation is frivolous, not maintainable or outside the scope [of the Inquiry Committee], the same may be dismissed for reasons to be recorded in writing. If it is found that the issue requires further investigation, preliminary inquiry may be initiated.
- e) Within 5 (five) working days of receipt of the written complaint, a copy of the same shall be served upon the person against whom a leak has been alleged advising or directing him to give a written representation within 7 (seven) working days of receipt of letter.

- f) Within 7 (seven) working days of receipt of representation, the Inquiry Committee 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 it may deem expedient in this regard. During the course of such investigation, the Committee may call for such additional documents, representations, etc. as it may deem fit.
- g) If no representation is received within the aforesaid stipulated time limit(s), the Inquiry Committee shall issue a notice to the Complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
- h) On completion of the preliminary investigation, receipt of reply to the show cause notice or on non-receipt thereof, the Inquiry Committee shall refer the matter to the Chairman of the Audit Committee, along with its recommendation.
- i) The Chairman of the Audit Committee shall, on receipt of the reference as per sub-clause (h) above, shall proceed to convene a meeting of the Audit Committee and after due review, if it is of the opinion that the complainee is guilty of leak of UPSI or suspected leak of UPSI, then the Audit Committee shall recommend necessary disciplinary actions, which will be in addition to the penal provisions stated under applicable PIT Regulations and any other statutory enactments, as applicable.
- j) The disciplinary action(s) shall, *inter alia*, include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Inquiry Committee, in addition to the action to be initiated by SEBI, if any.
- k) The findings/report/recommendations of the Audit Committee shall be communicated to the Board.
- l) The Company reserves the right of initiating an inquiry *suo moto* under this policy against any of the Promoters, Directors, Key Managerial Personnel, Insiders, Employees, Designated Persons, Support Staff or any other known or unknown person if it has reasons to believe that such person has leaked UPSI or is suspected to leak UPSI.

9. AMENDMENT

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.

Annexure A

Format for Intimation of Actual or Suspected leak of UPSI to the Stock Exchanges
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

To,
BSE Limited
P. J. Towers, Dalal Street, Fort
Mumbai – 400 001.

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai-400 051.

Ref.: BSE Scrip Code No. “ _____ ”

Ref.: NSE Scrip Code No. “ _____ ”

Dear Sir/Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company. (YES/NO)	
If yes, narration of the same	
Any other information.	

Request you to take the aforementioned on your records.

Thanking you,

Yours faithfully,
For **Patel Engineering Limited**

Company Secretary & Compliance Officer

Annexure B

Format for Reporting Actual or Suspected leak of UPSI to the SEBI
Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051, Maharashtra

Ref.: BSE Scrip Code No. “ _____ ”

Ref: NSE Scrip Code No. “ _____ ”

Dear Sir / Madam,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015.

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known.	
Name of Organization.	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company. (YES/NO)	
If yes, narration of the same	
Any other information.	

Request you to take the aforementioned on your records.

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Yours faithfully,
For **Patel Engineering Limited**

Company Secretary & Compliance Officer