

# **MAHESHWARI LOGISTICS LIMITED**

## **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

*(Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015)*

### **1. BACKGROUND**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“PIT Amendment Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of Maheshwari Logistics Limited (“MLL”) has laid down this “Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information” (the ‘Policy’).

### **2. APPLICABILITY**

This Policy will be effective from 1st April, 2020. The Policy shall also be uploaded on the website of the Company at [www.mlpl.biz](http://www.mlpl.biz).

### **3. SCOPE**

This Policy deals with-

- a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- b) Strengthening the internal control system to prevent leak of UPSI.
- c) Penalizing any insider who appears to have found guilty of violating this policy.

### **4. DEFINITIONS**

The definitions of some of the key terms used in the Policy are given below. Capitalised terms are not defined herein shall have the meaning assigned to them under the Code/SEBI PIT Regulations.

**“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**).

**“Code”** means the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices framed by the MLL.

**“Compliance Officer”** means the person as defined in Code.

**“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.

**“Support Staff”** shall include IT Staff, Secretarial Staff, Legal Staff, Finance Staff and Accounts Staff, Secretaries to Key Managerial Personnel (KMPs) who have access to unpublished price sensitive information.

**“Board”** shall mean the Board of Directors of MLL.

**“Leak of UPSI”** means communication of information which is/deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.

**“Suspect”** means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

**“Unpublished price sensitive information or 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: –

- (i) Periodical Financial Results of the Company;
- (ii) Intended declaration of dividends (Interim and Final);
- (iii) Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares or otherwise;
- (iv) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, Disposals, Spin Off or Selling Division or Whole or Substantially Whole of any Undertaking and such other transactions;
- (v) Any major expansion or diversification plans or new major projects or any significant changes in policies, plans or operations of the Company;
- (vi) Changes in Key Managerial Personnel;
- (vii) Material events in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (viii) Any other matter as may be prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or Companies Act, 2013 to be price sensitive, from time to time.

## **5. PROCEDURE OF INQUIRY AND INVESTIGATION**

The Company Secretary & Compliance Officer or Chief Financial Officer or Chief Executive Officer on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from any person, including employees of the Company or the regulators, shall initiate a preliminary inquiry/ investigation.

The object of preliminary inquiry is fact-finding, to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry. The said inquiry shall be completed within 5 working days from the date of receipt of such intimation and report thereof shall be circulated to the members of Audit Committee.

If in the opinion of members of Audit Committee and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to Inquiry Committee for detailed investigation.

## **6. INQUIRY COMMITTEE**

Inquiry Committee shall consist of the following persons or any person nominated by such officers from their department-

- Chief Financial Officer
- Head of Legal if any
- Head of Information Security if any
- Head of Human Resources
- Any other person nominated by Chief Executive Officer/Managing Director.

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

## **7. INVESTIGATION BY INQUIRY COMMITTEE**

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 15 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report shall be submitted to the Audit Committee and summary report shall be submitted to Board immediately, and such report shall also be submitted to SEBI simultaneously.

## **8. POWERS OF THE INQUIRY COMMITTEE**

For purpose of conducting inquiry, the Inquiry Committee may:

- a) call upon
  - such employees/individuals to seek clarification or information pertaining to the leak.
  - persons / members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures.
  - persons involved in the consolidation of the figures for the financial results.
  - persons involved in the preparation of board notes and presentations.
  - persons involved in dissemination of information relating to financial results in the public domain.
  - any other persons who had access to the information.
  - any market intermediaries, fiduciaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.
- b) at its discretion, invite external investigators/experts.
- c) take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.
- d) keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- e) notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- f) do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

## **9. RIGHTS AND OBLIGATIONS OF THE SUSPECT**

- a) The Suspect shall-
  - co-operate with the Inquiry Committee during the investigation process.
  - have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
  - right to be informed of the outcome of the investigation
- b) The Suspect(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.

- c) Unless there are compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

**10. CONSEQUENCES OF NON-COMPLIANCE**

- The Inquiry Committee’s investigation report shall be submitted to the Audit Committee and summary report shall be submitted to the Board immediately.
- The disciplinary action against Suspect may be taken within 15 working days from receipt of investigation report by the Audit Committee in consultation with the Board of Directors or any other person authorised by the Board.
- The Disciplinary action(s) shall include wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Inquiry Committee.

**11. REVIEW AND CHANGES**

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.

**12. APPROVED AND ADOPTED**

This Policy has been adopted by the Board of Directors of the Company in its meeting held on February 14, 2020 and policy shall be effective from April 01, 2020.

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