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POLICY AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

[Pursuant to Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015]

POLICY AND PROCEDURES FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

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INTRODUCTION

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mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of RACL Geartech Limited (“**RACL or Company**”) has laid down this “Policy and Procedures for Inquiry in Case of Leak or Suspected Leak of Unpublished Price Sensitive Information” (“**UPSI**”) (“**Policy**”) to comply the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

This policy shall be applicable with effect from April 1, 2019.

DEFINITIONS

“Unpublished Price Sensitive Information (“UPSI”)”

Unpublished Price Sensitive Information (“UPSI”) means any information, relating to a company or its securities, directly or indirectly, that is not generally available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: –

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
and
- v. changes in key managerial personnel.

“Leak of UPSI”

Leak of UPSI means communication of information which is / shall be UPSI, by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board or Compliance Officer/ Chief Investor Relation Officer (CIO) of the Company after following the due process prescribed in this behalf in the Code of Fair Disclosure and Conduct of the Company and /or under SEBI (Prohibition of Insider Trading) Regulations, 2015 and /or SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, or any other law may be applicable for time being in force and any amendment or re-enactment thereas.

1. POLICY OBJECTIVES

There are the following objectives of the policy:

- 1.1. To strengthen the internal control system to prevent leak of UPSI.
- 1.2. To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and loss of investors' / financiers' confidence in the company.
- 1.3. To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate.
- 1.4. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the Securities and Exchange Board of India ("SEBI").
- 1.5. To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons. .

2. Scope

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, scope of the policy covers the following:

- 2.1. To lay procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information, and
- 2.2. To Inform the Board promptly of such leaks, inquiries and results of such inquiries.

3. Disclosure of actual or suspected leak of UPSI to Stock Exchange(s) and SEBI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, Compliance Officer/ Chief Investor Relation Officer (CIO) on the direction of Inquiry Committee shall ensure that:

- 3.1. The same shall be promptly intimated to the Stock Exchange(s) on which the securities of the Company are listed, and
- 3.2. A report on such actual or suspected leak of UPSI, inquiries thereon and results thereof shall be promptly informed to SEBI.

4. Constitution/ Re-Constitution of Inquiry Committee

A Committee shall be constituted/ re-constituted by the Board of Directors to be called as "**Inquiry Committee**" to perform such duties as may be prescribed by this Code or by any other applicable law or regulations(s) for the time being in force.

The Inquiry Committee shall consist of minimum 3 (three) Members which shall include:

- a. Managing Director,
- b. Chief Financial Officer,
- c. Compliance Officer/ Chief Investor Relation Officer (CIO)

Any other officer(s) of the company may be appointed as member of the inquiry committee, as may be deemed fit by Board of Directors or mutually decided by the members of the Committee.

5. Roles and Responsibilities of Inquiry Committee

The Roles and Responsibilities of Inquiry Committee shall include the following:

- 5.1.** To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- 5.2.** To authorize any person, if required, to collect necessary support material;
- 5.3.** To consider the facts and circumstances and decide / direct on the matter;
- 5.4.** To decide disciplinary action thereon.
- 5.5.** Any other responsibility (ies) as may be imposed by the Board of Directors of the company.

6. Procedure for inquiry in case of leak of UPSI

The Inquiry Committee shall suo-motu becoming aware or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any Promoter, Director, Key Managerial Person, Insider, employee, Designated Person, Support Staff or any other known or un-known person, shall follow the below mentioned procedure in order to inquire and/or otherwise investigate the matter.

6.1. To take Cognizance of the matter

The Inquiry Committee shall meet within a period of 2 (two) working days after receipt of the information of actual or suspected leak of Unpublished Price Sensitive Information and take cognizance of the matter and decide as follows.

- i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
- ii) If it is found that the issue requires further investigation, Preliminary Inquiry may be initiated.

6.2. Preliminary Inquiry

Preliminary Inquiry is a fact-finding exercise which shall be conducted by the Compliance Officer/ Chief Investor Relation Officer (CIO) on the direction of Inquiry Committee. The object of preliminary inquiry is 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 embark any disciplinary action.

The Inquiry Committee, if required and in addition to Compliance Officer/ Chief Investor Relation Officer (CIO) may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an inquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

6.3. Report of Preliminary Inquiry to the Inquiry Committee

The Compliance Officer/ Chief Investor Relation Officer (CIO) or Person(s) appointed/authorized to inquire the matter of actual or suspected leak of UPSI shall submit his/her report to the inquiry Committee within 7 days from the date of his appointment on this behalf.

6.4. Disciplinary Action

If, at the conclusion of inquiry, the committee determines that a violation has occurred, then the committee shall take Disciplinary Action(s) commensurate with the nature of the offense, which may include wage freeze, suspension, recovery, clawback, 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.

6.5. Confidentiality

All information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law(s).

All reports and documents related to reporting, investigation and enforcement pursuant to this Policy shall be kept in accordance with the applicable law(s).

Notes:

- i. 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.
- ii. Any amendment(s) made in SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and other related Regulations shall apply mutatis mutandis to the 'Policy and Procedures for Inquiry in Case of Leak or Suspected Leak of Unpublished Price Sensitive Information ("UPSI")'.
- iii. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code.
