

HY-TECH ENGINEERS LIMITED

POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. INTRODUCTION

This Policy and Procedure for Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information (“**Policy**”) has been formulated by Hy-tech Engineers Limited (“**Company**”) in pursuance of regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (“**Regulations**”).

The Board of Directors of the Company (the “Board”) acknowledges the contours of an inquiry into any leak or suspected leak of UPSI would have to be customized according to the facts or circumstances of each case. Therefore, it is not possible to prescribe a standard operating procedure to be followed while conducting an inquiry into every case of a leak or suspected leak of UPSI. Further, the Board acknowledges the importance of keeping the procedure dynamic, to ensure that an inquiry appropriately covers all relevant aspects of a case.

2. OBJECTIVE:

- i. To strengthen the internal control system to prevent leak of Unpublished Price Sensitive Information (“**UPSI**”);
- ii. To formulate procedures for inquiry such as initiating inquiry, reporting to Securities and Exchange Board of India (“**SEBI**”), etc. in case of leak or suspected leak of USPI
- iii. To take disciplinary actions, if deemed fit against any person who appears to have been found guilty of violating this Policy, apart from any action that SEBI may initiate/take against such person

3. DEFINITIONS

In this Policy, the following words and expressions, unless inconsistent with the context, shall bear the meanings assigned hereto:

- a. “**Audit Committee**” means the committee which is constituted by the Company pursuant to section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time.
- b. “**Competent Authority**” means:
 - (i) the Managing Director, in case of leak or suspected leak of UPSI involving any person other than the Director(s) of the Company;

- (ii) the Chairperson of the Audit Committee of the Company, in case of leak or suspected leak of UPSI involving any Director of the Company other than the Chairperson of the Audit Committee of the Company; and
 - (iii) Chairperson of the Board of Directors of the Company, in case of leak or suspected leak of UPSI involving Chairperson of the Audit Committee of the Company.
- c. **“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.
- d. **“Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to the 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, delistings, disposals and expansion of business and such other transactions; and
 - v) Changes in key managerial personnel.

The words and expressions used but not defined herein shall have the meanings as ascribed to them in the Regulations.

4. MODES OF DETECTION OF LEAKAGE OR SUSPECTED LEAKAGE OF UPSI

- a) Pursuant to any information received from any whistleblower;
- b) Pursuant to receipt of any UPSI from an outside source (e.g. social media);
- c) Pursuant to sabotage of systems storing details of UPSI or phishing e-mail attack, planted or unauthorized USB drive in the systems storing UPSI;
- d) Pursuant to theft/ unauthorized destruction of important physical records or portable equipments;
- e) Receipt of a credible complaint mentioning the circumstances in which he/she feels that security of the Company has been compromised and UPSI has been allegedly leaked.
- f) In case the complainant has documentary evidence proving the leakage, he/she shall provide the same along with his/ her complaint in order to substantiate his/ her complaint.

- g) The complaint may be addressed to the Compliance Officer of the Company with a copy to the Chairperson of the Company and the Chairman of the Audit Committee.

5. INQUIRY PROCEDURE

- a) The information/complaint(s) regarding leak or suspected Leak of UPSI will be reviewed by the Competent Authority. If an initial review by the Competent Authority indicates that the said information/complaint has no basis or it is not a matter to be investigated under this Policy, it may be dismissed at initial stage and the decision shall be documented. All such cases shall be reported to the Audit Committee in its next meeting.
- b) The Managing Director of the Company or the Chairperson of the Audit Committee or Chairperson of the Board of Directors may suo-moto initiate an inquiry under this Policy.
- c) The Competent Authority shall maintain confidentiality as to the identity of complainant as a safeguard against his/ her victimization;
- d) The Competent Authority shall also apprise the person concerned about the receipt of a complaint against him / her and as a principle of natural justice grant him / her sufficient time to make a representation to defend himself / herself.
- e) On receipt of representation, the Competent Authority shall proceed to conduct an inquiry either by himself or may engage an external consultant / forensic auditor to assist the investigator in the process.
- f) If no representation is received from the person concerned within the time provided to him / her, the Competent Authority may initiate inquiry.
- g) Where initial inquiry indicates that further investigation is necessary, the Competent Authority shall make further investigation in such matter and may, where necessary, provide an update to the Board of Directors in this regard. The Competent Authority may appoint one or more person(s)/entity(ies) (including external consultant(s)) to investigate or assist in the investigation of any instance of Leak or suspected Leak of UPSI and such person(s)/entity(ies) shall submit his / her/ their report to the Competent Authority. During the course of investigation, the Competent Authority or the person(s) / entity(ies) appointed by the Competent Authority, as the case may be, may collect documents, evidences and record statements of the person(s) concerned.
- h) Upon conclusion of the inquiry:
- the Inquiry Committee shall intimate to the Managing Director who shall further intimate to Board of its findings, along with a summary of the procedures followed and the action taken;
 - if the Inquiry Committee is of the opinion that a leak has occurred and in the event the Inquiry Committee has identified the person(s) responsible for or involved in the leak, it will take appropriate action, take disciplinary and penal action and any other steps it deems fit and necessary such as

- dismissal, wage freeze, suspension, recovery and disqualification from future participation in the employee stock options scheme (if any) etc.;
 - it is clarified that any action taken by the Securities and Exchange Board of India for violation of the Insider Trading Regulations and any other applicable laws shall not preclude the Inquiry Committee from taking any disciplinary, penal or other action.
- i) The investigation shall be a neutral fact-finding process.
 - j) The Competent Authority shall endeavour to complete the investigation within 45 days of the receipt of the information / complaint of leak or suspected Leak of UPSI or such instance coming to the knowledge of Competent Authority, as the case may be.
 - k) Where the Competent Authority requires additional time to complete the inquiry, it may, where necessary, provide an interim update to the Board of Directors.
 - l) The Company shall also inform the SEBI about the outcome of the inquiry and the steps taken in this regard.
 - m) All stakeholders shall cooperate with the investigation into an Incident. Failure to cooperate with the investigation shall attract disciplinary action.
 - n) All the documentation in relation to the investigation shall be documented as per the applicable provisions of law in relation to retention of documents.

6. DOCUMENTATION AND REPORTING

The Competent Authority will make a detailed written record of investigation of each instance of leak or suspected Leak of UPSI. The record will include:

- a) Facts of the matter
- b) Findings of the investigation.
- c) Disciplinary/other action(s) to be taken against any person.
- d) Any corrective actions required to be taken.

The details of inquiries made in these cases and results of such inquiries shall be informed to the Audit Committee and Board of Directors of the Company.

Further, the Company shall inform Securities and Exchange Board of India promptly of such leaks, inquiries and results of such inquiries.

7. DISCIPLINARY ACTION:

The disciplinary action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Competent Authority, in addition to the action to be initiated by SEBI, if any.

8. REVIEW AND AMENDMENT

This Policy may be reviewed and amended by the Audit Committee as and when required and any amendment thereto shall be presented before the Board for approval/ratification.

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 the Audit Committee shall amend this Policy accordingly.