

POLICY AND PROCEDURES FOR INQUIRY IN CASE
OF LEAK OF UNPUBLISHED PRICE SENSITIVE
INFORMATION

OF

MALU PAPER MILLS LIMITED

EFFECTIVE FROM 01st APRIL, 2019

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

This Policy shall come into effect from April 1, 2019

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mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

These regulations will be effective from 01st April, 2019. Accordingly Solar Industries India Limited is required to formulate policy and procedures for inquiry in case of leak of unpublished price sensitive information.

B. 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.

C. EFFECTIVE DATE

This Policy has been approved by the Board of Directors of the Company and shall be effective from 01st April, 2019.

D. DEFINITIONS

i. 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.

ii. 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.

iii. Unpublished Price Sensitive Information(UPSI)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 financial results, dividends, change in capital structure, mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions,

changes in Key managerial personnel; and materials events in accordance with the listing agreements.

Note: Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and the Rules and Regulations made there under shall have the meanings respectively assigned to them in those legislation.

E. PROCEDURE FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UPSI:

a) Source of information relating to leak of UPSI

The Chairman of Audit Committee may on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from the Suspect, any other person, including employees of the Company, regulators follow the below mentioned procedure in order to inquire and/or investigate the matter.

b) Preliminary Inquiry

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 Chairman of Audit Committee shall forthwith forward such intimation to CEO and/or CFO to conduct a preliminary inquiry headed by Compliance Officer. The said inquiry shall be completed within 2 working days from the date of receipt of such intimation and report thereof shall be circulated to the Chairman of Audit Committee/CEO/CFO and Compliance Officer.

c) Intimation of Leak or suspected Leak of UPSI

If in the opinion of Chairman of Audit Committee/CEO/CFO and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to:

- The Board of Directors
- Inquiry Committee for detailed investigation

The Compliance Officer shall simultaneously intimate SEBI about such Leak or suspected Leak of UPSI.

d) 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
- 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.

e) **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.

F. POWERS OF INQUIRY COMMITTEE

For purpose of conducting inquiry, the Inquiry Committee may:

- 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.
- at its discretion, invite external investigators/experts.
- 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
- keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

G. RIGHTS AND OBLIGATIONS OF THE SUSPECT

- 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 wrong doing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

H. CONSEQUENCES OF NON-COMPLIANCE

- a) On receipt of report of inquiry committee, the Compliance Officer shall forthwith forward such report to Audit Committee.
- b) 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.
- c) The disciplinary action may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.
- d) SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect.

I. POLICY REVIEW

The Board may review the Policy from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

J. APPROVED AND ADOPTED

This Policy was approved and adopted by the Board on 12th February, 2019.

PUNAMCHAND MALU

MANAGING DIRECTOR & CEO
