



RDB REAL ESTATE CONSTRUCTIONS LIMITED

POLICY FOR INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)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

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“SEBI PIT Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

2. Applicability

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

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. Capitalized 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.

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

“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.

“Un-published Price Sensitive Information (UPSI)” shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally available in the public domain, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following;

- a) Periodical Financial Results of the Company;
- b) Intended declaration of Dividends;
- c) Change in capital structure;
- d) Mergers, De-mergers, Acquisitions, Delisting, Disposals and expansions of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- e) Changes in Key Managerial Personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor
- f) change in rating(s), other than ESG rating(s);
- g) fund raising proposed to be undertaken;
- h) agreements, by whatever name called, which may impact the management or control of the company;
- i) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- j) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- k) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- l) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report; action(s) initiated or orders passed within India or abroad, by any regulatory, 3 statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- m) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- n) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- o) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- p) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

Explanation 1- For the purpose of sub-clause (i):

‘Fraud’ shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

‘Default’ shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the Rules and Regulations framed there under shall have the meanings respectively assigned to them in those legislation.

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. 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
[a Committee shall be constituted by the Board of Directors or by the Committee of Directors of the Board or of such person(s) as may be of the authorized by the Board or Committee of Directors in this behalf, to be called as "Inquiry Committee" to perform such duties as may be prescribed by this Code or by any other applicable law for the time being in force.]

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
- Head of Information Security
- Head of Human Resources
- Any other person

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 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.

G. Rights and Obligations of the Suspect

- a) The Suspect shall-
 - o co-operate with the Inquiry Committee during the investigation process.
 - o have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
 - o 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.

H. Consequences of non-compliance

- o On receipt of report of inquiry committee, the Compliance Officer shall forthwith forward such report to Audit Committee.
- o 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.
- o 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.
- o SEBI or any other appropriate regulatory authority would also be informed of such violation who may take appropriate action against the Suspect.

Amendment

This Policy may be reviewed and amended by the Board of Directors of the Company or its authorised Committee, from time to time.

Any amendment or modification in the applicable provisions of the Companies Act, 2013, the Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and/or any other applicable laws shall automatically apply to this Policy from the effective date of such amendment, notwithstanding the fact that the same may not have been expressly incorporated herein.

Such statutory amendments shall be placed before the Board of Directors or its authorised Committee for noting at its meeting.

The Board of Directors or its authorised Committee shall have the right to amend, modify or withdraw this Policy, in whole or in part, at any time.