



Prakash Industries Limited

Regd. Office : 15 Km. Stone, Delhi Road, Hissar - 125044
(Haryana)

Corporate Identity Number (CIN) – L27109HR1980PLC010724

Email : pilho@prakash.com, Website: www.prakash.com

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION(UPSI)**

1. Introduction:

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended by SEBI(Prohibition of Insider Trading) (Amendment) Regulations 2018, w. e. f. 1st April 2019, Prakash Industries Limited (hereinafter called ‘the Company’) is required to formulate a Code of Fair Disclosure, Code of Conduct, Code of Internal Procedures for Regulating, Monitoring and Reporting of trading by Insiders for prevention of insider trading by Promoters / Directors / Designated Employees / Connected Person of the Company, in relation to the securities of the Company.

Accordingly, the Board of Directors (“the Board”) of the Company has approved and formulated Codes, in compliance with the applicable regulations of the SEBI and the Listing Obligations and Disclosure Requirements (LODR) and also to upload those codes on company’s website www.prakash.com

2. Definitions :

(1) In these code unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:-

(A) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(B) “Board” means the Securities and Exchange Board of India;

(C) “Compliance Officer” means any senior officer, designated so and reporting to the Board of Directors , who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of record, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the company or the head of an organization, as the case may be.

[Explanation- For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows]

(D) “Connected Persons” means:

- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall also be deemed to be connected persons unless the contrary is established :
 - (a) an immediate relative and dependent of connected persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company, or
 - (c) an intermediary as specified in Section 12 of the SEBI Act ('the Act) or an employee or director thereof; or
 - (d) an investment Company, trustee Company, asset management Company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of Board of trustees of a mutual fund or a member of the Board of directors of the asset management Company of a mutual fund or is an employee thereof; or
 - (g) a member of the Board of Directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - (i) banker of the Company; or
 - (j) a concern, firm, trust, Hindu Undivided Family, Company or association of persons wherein a Director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

(E) "Designated Officer/Employees" shall cover the following:

Such other employees as may be specified and determined from time to time by the Board of Directors of the Company.

- (F) "Generally Available Information" means information that is accessible to the Public on a non-discriminatory basis. (information published on the website of a stock exchange would ordinarily be considered generally available)
- (G) "Immediate Relative" means a spouse of a person and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such insider in taking decisions relating to trading in securities
- (H) "Insider" means any person who is:
 - a. a connected person; or
 - b. in possession of or having access to unpublished price sensitive information;

- (I) "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- (Ia) "promoter group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- (Ib) "proposed to be listed" shall include securities of an unlisted company
 - (i) If, such unlisted company has filed offer documents or other documents, as the case may be, with the Board, Stock Exchange(s) or register of companies in connection with the listing; or
 - (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme or merger or amalgamation under the Companies Act, 2013
- (J) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof, except units of a mutual fund.
- (K) Specified means specified by the Board in writing;
- (L) Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendment thereto;
- (M) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities include trading in derivatives of securities, and "trade" shall be construed accordingly;
- (N) "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- (O) "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:
 - a. financial results;
 - b. dividends;
 - c. change in capital structure;
 - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - e. changes in key managerial personnel; and

2. Words and expression not defined in these code but defined in 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 rules and regulations made thereunder shall have the meanings respectively assigned to them in those regulations.

3. Principles for fair disclosure of UPSI

The Company, Board Members and Designated officers / employees shall observe the following principles for fair disclosure of UPSI :

- i) prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- ii) uniform and universal dissemination of UPSI to avoid selective disclosure.
- iii) prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
- iv) appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- v) ensuring that information shared with analysts and research personnel is not UPSI.
- vi) developing best practices to make available transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- vii) handling of all unpublished price sensitive information on a need-to-know basis.

4. Requirements of UPSI

- A) Board Members and/or Designated Officers / Employees must not use or disclose any confidential information / UPSI in their possession save in the proper course of their duties or with the necessary prior approval or authorisation.

No Insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to company to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of **legitimate purposes (Annexure-1.)**, performance of duties or discharge of legal obligations.)

Any person in receipt of UPSI, pursuant to a “Legitimate purpose” shall be considered an ‘insider’ for the purposes of these regulations and **due notice** shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations. **(Annexure-2)**

- B) In particular, any dealing in securities of the Company whilst in possession of UPSI shall be considered a material breach of this Code and is absolutely prohibited.
- C) The requirements set out below must be fulfilled while in possession of UPSI:
- i) No designated officer / employee should deal, encourage, counsel or procure another

person to deal, in Listed Securities of the Company whilst in possession of UPSI or disclose such information to another person who may make use of such information for the purpose of dealing in such securities, in circumstances which constitute "insider trading" under the applicable laws or regulations.

- ii) A designated officer / employee will be regarded as having engaged in "trading" in the Company Securities if he/she sells, purchases, exchanges, subscribes for or underwrites the relevant listed securities, whether as principal or agent, makes or offers to make an agreement with another person, or induces or attempts to induce another person to do the same. The term "securities" is broadly defined to include shares, debentures, bonds, notes, derivatives, options, rights, interests, certificates of interest or participation in certificates, or property whether in the form of an instrument or otherwise.
 - iii) All persons to whom this code is applicable should take into account all the circumstances in determining whether a piece of information may be UPSI. In case of any doubt, a prudent approach should be taken and the information should be treated as UPSI and should refrain from any activities which may constitute insider trading.
 - iv) Violation of the applicable laws may result in personal, civil or criminal sanctions including fines or imprisonment. All persons to whom this code is applicable must therefore conduct themselves in compliance with all applicable insider trading (or its equivalent) laws, rules, codes and regulations.
 - v) Officers of the Company are obliged to take all reasonable measures from time to time to ensure that proper safeguards exist to prevent the Company from breaching its disclosure obligation.
 - vi) While all matters of a material nature would generally be escalated to the Board of Directors, the officers and senior management of each business division should remain vigilant at all times for matters that are or may fall within the definition of UPSI, and ensure that such matters are promptly identified and reported to the Board of Director for disclosure consideration.
 - vii) Preventing UPSI from leakage is the key to preventing insider trading and assisting the Company with compliance of its obligation under the applicable laws and regulations.
 - viii) Dissemination of information should be absolutely limited to the stated purpose and only to the core members who are responsible for or involved with the matter and to professional advisers who advise on the matter and owe the Company a duty of confidentiality;
 - ix) All persons to whom the code is applicable should be wary of any possible disclosure of UPSI when meeting with fund managers, securities analysts and the press. Briefings and discussions at such meetings should be properly recorded. Shall there be any UPSI which has been inadvertently disclosed at any meeting, information of the same should be given to the company;
- D) Notwithstanding anything contained in this regulation, an UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that sharing of such information is in the best interests of the company;
 - (ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that sharing of such information is in the best interests of the company and the information that constitute the UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.

- (iii) For the purposes as stated above, the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep the information so received confidential, except for the purpose of as stated above and shall not otherwise trade in the securities of the company when in possession of UPSI. **(Annexure-3-Non-disclosure agreement)**
- (iv) A structured digital data base shall be maintained containing the names of such persons or entities as the case may be with whom information is shared, alongwith PAN or any other identifier authorized by law where PAN is not available. **(Annexure-4-format of structured digital data base);**

5. Policy and Procedure for enquiry in case of leak of UPSI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall ensure that the same shall be promptly intimated and reported to the Board of Directors.

Constitution of Enquiry Committee:

The Board of Directors or any Committee authorized by them in this behalf, shall constitute a Committee to be called as “Enquiry Committee”.

The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Compliance Officer and any other officer of the Company. The Chairman of the Board may change/alter/re-constitute the Enquiry Committee as may be required form time to time.

Duties of Enquiry Committee:

The Enquiry Committee shall be responsible;

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- (b) To authorize any person, if required, to collect necessary support material;
- (c) To consider the facts and circumstances and decide / direct on the matter;
- (d) To decide disciplinary action thereon.

Procedure for enquiry in case of leak of UPSI:

On 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-know person, the below mentioned procedure be followed in order to enquire and/or otherwise investigate the matter.

To take Cognizance of the matter:

The Enquiry Committee shall meet within a period of 3 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 Enquiry** may be initiated.

Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise which shall be conducted by the C.F.O. / Compliance Officer or any officer designated by Board of Directors in this regard.. The object of preliminary enquiry 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 Enquiry Committee , if required and in addition to Compliance Officer may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

Report of Preliminary Enquiry to the Enquiry Committee:

The Compliance Officer or Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

Disciplinary Action:

The Disciplinary Action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Committee.

6. Whistle Blower Policy:

The Company shall adopt the whistle Blower Policy to enable employees to report instances of leak of UPSI.

(Annexure-5)

7. Mr. Arvind Mahla shall be the compliance officer for the purpose of administering the code of conduct and other requirements under this regulations.

8. Review

This Code has been framed / adopted by the Company in compliance with the provisions of requirements under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendment thereof applicable. In case of any subsequent changes in the said regulations or any other regulations which makes any of the provisions in this code inconsistent with the regulations, the provisions of the regulations would prevail over the code and the provisions in the code would be modified in due course to make it consistent with law.

This code shall be reviewed by the Audit Committee/ Board of Directors as and when any changes are to be incorporated to change in regulations or as may be felt appropriate by the Board and shall review the compliance with the provisions of these regulations at least once in a financial year and verify the systems for internal control are adequate and are operating effectively one

9. Dissemination

This Code and any amendment thereto shall be promptly hosted on the Company's website at www.prakash.com.

* * * * *

Adopted by Board of Directors through Resolution by Circulation dated 28/03/2019 and reviewed time to time

(Annexure-1)

LEGITIMATE PURPOSE

“Legitimate Purpose” under the provisions of the Code shall mean and include all such purpose which is required for the business needs or for compliance of regulatory requirement in the ordinary course of business. Sharing of Unpublished Price Sensitive Information (UPSI) which may have effect on the share price of the Company, though prohibited in the normal course of business is required, so as, not to impede the business of the Company and to fulfil the regulatory requirement.

AN ILLUSTRATIVE LIST OF FOLLOWING PURPOSES WHICH MAY BE TERMED AS LEGITIMATE :

The UPSI shall be shared by any person(s) so authorized by the Board of Directors or Compliance Officer of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following:

- Sharing of UPSI in the ordinary course of business by an Insider, Designated Persons, or by any Authorised person, with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants;
- Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
- Sharing of UPSI for discharge of legal obligation(s);
- Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company;
- Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf as may be amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of these regulations.

The Board at its discretion may, include more such purposes as and when deem it fit to be included in the aforesaid list.

However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf as may be amended from time to time, shall be observed.

NOTICE

To

(Designated Person/ Fiduciaries/Bankers/ Merchant Bankers/Auditors)

Dear Sir / Madam,

This notice is being issued to you under the provisions of Regulation 2B of SEBI (Prohibition of Insider Trading) Amendment Regulation 2018 effective from 1st day of April 2019, to maintain the complete confidentiality of such Unpublished Price Sensitive Information (UPSI), which was shared or may be shared with you in the ordinary course of business for the furtherance of legitimate purpose, performance of duties or discharge of legal obligation. Non- adherence to this notice might make you liable for penal proceedings as per the applicable SEBI Act & Regulations.

You are required to sign the Non-Disclosure Agreement as may be applicable to you in pursuance of provisions of SEBI (Prohibition of Insider Trading) Amendment Regulation 2018.

Your due adherence to this notice is anticipated.

Thanking You,

For Prakash Industries Limited

**Mr. _____
Compliance Officer**

Place:

Date:



Prakash Industries Limited

Regd. Office : 15 Km. Stone, Delhi Road, Hissar - 125044
(Haryana)

(CIN) – L27109HR1980PLC010724, Email : pilho@prakash.com,
Website: www.prakash.com Corporate Identity Number

CONFIDENTIAL & NON-DISCLOSURE AGREEMENT

THIS AGREEMENT dated _____, 20 , by and between **Prakash Industries Limited (PIL)** and _____ (“Recipient of UPSI”).

WHEREAS, **PIL** and the Recipient, for their mutual benefit and pursuant to a working relationship which has been or may be established, anticipate that **PIL** may disclose or deliver to a working relationship which has been or may be established, anticipate that **PIL** may disclose or deliver to Recipient documents, information, data, plans, specifications, processes, and other information, both written and oral, of a secret, confidential or proprietary nature, including without limitation any and all information relating to its securities, marketing, finance, forecasts, change in capital structure, dividends, financial results, merger, de-mergers, acquisitions, delisting, disposal and expansion of business and such other transactions, changes in key managerial personnel, invention, research, design or development of information system and any supportive or incidental subsystems, and any and all subject matter claimed in or disclosed by any patent application prepared or filed by or behalf of by **PIL**, in any jurisdiction, and any amendments or supplements thereto, which is not generally available, and is likely to materially affect the price of the securities [collectively, “Unpublished Price Sensitive Information (UPSII)"]; and

WHEREAS, **PIL**, desires to assure that the confidentiality of any UPSI is maintained;
NOW, THEREFORE, in consideration of the foregoing premises, and the mutual covenants contained herein, **PIL** and Recipient hereby agree as follows:

1. Recipient shall hold in trust and confidence, and not disclose to others or use for Recipient's own benefit or for the benefit of another, any UPSI which is disclosed to Recipient by **PIL**. Recipient shall disclose UPSI received under this Agreement to person within its organization only if such persons (i) have a need to know and (ii) are bound in writing to protect the confidentiality of such UPSI. This paragraph 1 shall survive and continue after any expiration or termination of this Agreement and shall bind Recipient, its employees, agents, representatives, successors, heirs and assigns.

2. The undertakings and obligations of Recipient under this Agreement shall not apply to any UPSI (a) is generally disclosed to third parties by **PIL**, without restriction on such third parties, or is approved for release by written authorization of **PIL**; (b) if not designated “UPSII” at the time of first disclosure hereunder, or is not later designated in writing by **PIL** within five (5.) working days from disclosure to Recipient to be a UPSI.

3. Recipient shall, after completion of work assigned for which UPSI was provided and upon request of PIL, return to PIL all documents, materials, including all UPSI and all manifestation thereof, delivered to Recipient, and all copies and reproductions thereof.

4. The parties further agree to the following terms and conditions:

i. Any breach by Recipient of any of Recipient's obligations under this Agreement will result in irreparable injury to PIL for which damages and other legal remedies will be inadequate. In seeking enforcement of any of these obligations, PIL will be entitled (in addition to other remedies) to preliminary and permanent injunctive and other equitable relief to prevent, discontinue and/or restrain the breach of this Agreement.

ii. If any provision of this Agreement is invalid or unenforceable, then such provision shall be construed and limited to the extent necessary, or severed if necessary, in order to eliminate such invalidity or unenforceability, and the other provisions of this Agreement shall not be affected thereby.

iii. In any dispute over whether information or matter hereunder, it shall be the burden of Recipient to show both that such contested information or matter is not UPSI within the meaning of this Agreement.

iv. No delay or omission by either party in exercising any rights under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by either party on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

v. This Agreement shall be binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns.

vi. This Agreement is governed by and will be construed in accordance with the laws and the courts of the State of Delhi shall be the exclusive forum.

vii. This Agreement is in addition to any prior written agreement between PIL and Recipient relating to the subject matter of this agreement; in the event of any disparity or conflict between the provision of such agreements, the provision which is more protective of UPSI shall control. This Agreement may not be modified, in whole or in part, except by an agreement in writing signed by PIL and Recipient.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FOR PRAKASH INDUSTRIES LIMITED

FOR(RECIPIENT)

By: _____

Signature

Printed Name

Title

(Annexure-4)

FORMAT OF STRUCTURAL DIGITAL DATABASE AS PER REGULATION 5

Sr. No.	Name of Person with whom UPSI was shared	PAN	Purpose for which UPSI was shared

PRAKASH INDUSTRIES LIMITED

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

1. Preface

The Company has adopted the Code of Ethics & Business Conduct (Whistle Blower Policy/ Vigil Mechanism Policy) pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of LODR 2015 and Clause 9A(6) of SEBI (Prohibition of Insider Trading) Regulations 2015 which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of employees in pointing out such violations of the Code cannot be undermined. Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

2. Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

3. Definitions

The definitions of some of the key terms used in this Policy are given below.

Capitalised terms not defined herein shall have the meaning assigned to them under the Code.

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors.
- b. **“Code”** means the ‘Code of Conduct for Board Members and Senior Management Executives’ of the Company.
- c. **“Directors”** means a Director as defined under the Companies Act, 2013.
- d. **“Employees”** means every employee of the Company (whether working in India or abroad and whether temporary or permanent).
- e. **“Ethics Counselor”** means Chairman / Chief Executive Officer / Chief Financial Officer/ Company Secretary of the Company who will have primary authority and responsibility for the enforcement of this Policy and to investigate or oversee investigations of the Protected Disclosures or any matter in connection therewith, as per directions, if any, by the Audit Committee.
- f. **“Investigators”** means those persons / firms / bodies authorized, appointed, consulted or approached by the Ethics Counselor / Audit Committee and include the auditors of the Company and the Police.

g. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical behavior, actual or suspected, fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

h. **“Stakeholders”** means stakeholders as may be defined under the provisions of the Companies Act, 2013 and/or the Listing agreement and includes Directors, employees and their representative bodies, shareholders, debenture holders, deposit holders and any other security holders.

i. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

j. **“Whistle Blower”** means a Stakeholder making a Protected Disclosure under this Policy.

4. Scope

a. The Whistle Blowers’ role is that of a reporting party with reliable information. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.

b. Protected Disclosure under para 4 (a) will be dealt with by Chairman of Audit Committee constituted by the Board and under para 4(b) will be dealt with by the Ethics Counselor under instructions/ guidance of the Chairman of the Audit Committee of the Board.

c. Exclusions: Issues arising out of Company’s policy with regard to performance bonus, promotions, increment, leave sanctions and transfers will not be dealt with under this Policy.

5. Eligibility

All Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures shall be in relation to matter concerning the Company. All stakeholders are free to communicate their concerns about illegal or unethical practices.

6. Procedure

a. All Protected Disclosures concerning financial, accounting, internal controls and auditing issues and those concerning the Ethics Counselor himself, should be addressed to the Chairman of the Audit Committee of the Company for investigation.

b. All other Protected Disclosures concerning code violations, except those specified at para 4(a) above, should be sent / addressed to the Ethics Counselor of the Company.

c. The contact details of the Chairman of the Audit Committee and of the Ethics Counselor of the Company are as under:

Chairman of the Audit Committee

Prakash Industries Ltd.

SRIVAN, Bijwasan,

New Delhi – 110061

Ph. No.011-25305800

Email : pilho@prakash.com

Ethics Counselor of the Company

Mr. Arvind Mahla

Prakash Industries Ltd.

SRIVAN, Bijwasan,
New Delhi – 110061
Ph. No.011-25305822
Email : arvindm@prakash.com

d. Protected Disclosures, which shall bear the identity of the Whistle Blower, should be reported in writing (in sealed envelopes / emails marked as ‘confidential-WB’) so as to ensure a clear understanding of the issues raised. It should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. Anonymous disclosures will not be entertained. Written Complaints duly received should be acknowledged.

e. Protected Disclosure should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

7. Investigation

a. All protected Disclosure reported under this policy will be investigated by the Ethics Counselor / Audit Committee of the Company in accordance with the normal procedure. The Ethics Counselor / Audit Committee may at its discretion engage Investigators (any person / firm / body) to investigate / assist itself or the Ethics Counselor in investigation, with expenses therefor being borne by the Company.

b. Investigations as above will be launched only after the Ethics Counselor/Chairman of the Audit Committee is satisfied Prima facie and a preliminary review by them indicates that:

- i.** the alleged act constitutes unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity or conduct which are detrimental to the interests of the Company, and
- ii.** the allegation is supported by information specific enough to be investigated.

c. The decision to conduct an investigation taken by the Audit Committee / Ethics Counselor is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

d. The identity of a Subject will be kept confidential to the extent possible subject to the legitimate needs of law and the investigation.

e. Subjects will normally be informed of the allegations and shall be given reasonable opportunity of being heard and for providing their inputs during the investigation.

f. Subjects have a 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 Subjects. If the subject is found indulging in any such actions, they will make themselves liable for disciplinary actions. Under no circumstances, subjects should compel investigator to disclose the identity of the Whistle Blower.

- g. Subjects have a right to be informed of the outcome of the investigation.
- h. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure unless in exceptional case/s, extension is granted by the Chairman of the Audit Committee.

8. Protection

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers or any action which affects them negatively and complete protection will be given to Whistle Blowers.
- b. The Whistle Blower shall have right to approach the Chairman of Audit Committee for relief in case he/ she observes that he/ she is subjected to any unfair treatment / victimization as aforesaid as a result of his Protected Disclosure. In such cases, the Chairman of Audit Committee may, after hearing him/her, may order investigation and provide appropriate relief to the Whistle Blower as deemed fit. The identity of the Whistle Blower shall be confidential to the extent possible and permitted under law.
- c. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- d. While management is determined to give appropriate protection to the genuine Whistle Blower, the stakeholders at the same time are advised to refrain from using this for furthering their own vested interest.

9. Decision

If an investigation leads the Ethics Counselor / Audit Committee to conclude unethical behavior, actual or suspected fraud or violation of the Code or any other unethical or improper activity or act has been committed, the Audit Committee shall recommend to the Board of Directors of the Company to take action as per service rules.

10. Reporting

The Ethics Counselor shall submit a report to the Audit Committee expeditiously about all Protected Disclosures referred to him/her together with the results of investigations, actions recommended, if any and implementation of the same. The Chairman of Audit Committee shall report any issues raised before him, under this Policy, to the Board of Directors after the investigation is completed and the report is submitted to the Audit Committee along with the recommendations. Above Reports shall be reviewed and recorded by the Audit Committee.

11. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and directors unless the same is notified to the employees and directors

in writing.

12. Dissemination

The details of establishment of such mechanism shall be disclosed on the Company's website and in the Board's report.

13. Disqualifications

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of victimization or unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

14. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

This policy supersedes the earlier Whistle Blower Policy

* * * * *