



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UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**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compliance of policies, procedures, maintenance of record, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 from 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 unknown 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. Shri Arvind Mahla, Company Secretary, 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.

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Adopted by Board of Directors through Resolution by Circulation dated 28th March, 2019

(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

**Arvind Mahla
Compliance Officer**

Place: New Delhi

Date:



Prakash Industries Limited

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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 "UPSI" 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

IDENTIFICATION OF DESIGNATED EMPLOYEE

Designated persons includes: [REGULATION 9 (4)]

1. All promoters of listed company and promoters who are individual
2. Investment companies for intermediaries
3. Fiduciaries
4. C.E.O. and Employee upto two levels below C.E.O. of listed company, intermediary, fiduciary and its material subsidiaries
5. Any Support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to UPSI.

REGISTER OF DESIGNATED EMPLOYEES

Employee Name	Grade/ Designation	Dept.	Location	Name of Immediate Relative / Dependents	Date of joining	Date	Remarks
Mr. A.K. Chaturvedi	Executive Director	Corporate Affairs	Delhi				
Mr. Sanjay Jain	Executive Director	Projects	Delhi				
Mr. N.K. Ahuja	President	PVC	Delhi				
Mr. N. K. Agarwal	President						
Mr. G.D. Mudgil	Sr. Vice President	Administration	Delhi				
Mr. Tanuj Verma	Sr. Vice President	Finance	Delhi				
Mr. R.K. Bajoria	Vice President	Finance	Delhi				
Mr. Manoj Bhardwaj	Vice President	P.V.C.	Delhi				
Mr. S.K.Sharma	Vice President	Administration	Delhi				
Mr. Deepak Mishra	Vice President	Accounts	Delhi				
Mr. Anupam Sharma	Vice President	PVC	Delhi				
Employees at Champa							
Jai Narayan Sati	Sr. President						
Mahendra Kumar Pareek	President						
Chiranjeev Banerjee	President						
Rajveer Singh	President						
Gopichand Bhalaki	President						
A. B. Singh	President						
Employees at Raipur							
Bal Kishan Gupta	President						



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WHISTLE BLOWER POLICY

I. 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.

II. 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.

III. POLICY

The Whistle Blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

IV. DEFINITIONS

- “**Disciplinary Action**” means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

- **“Employee”** means every employee of the Company (whether working in India or abroad)
- **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.
- **“Whistle blower”** is someone who makes a Protected Disclosure under this Policy.
- **“Whistle Officer”** or **“Whistle Committee”** or **“Committee”** means an officer or Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the whistle blower and recommend disciplinary action. Currently, Shri Arvind Mahla, Company Secretary is nominated as Whistle Officer. The Committee, if appointed, should include Senior Level Officers of Personnel & Admin, Internal Audit and a representative of the Company / Division/ Department where the alleged malpractice has occurred.
- **“Company”** means, “Prakash Industries Ltd.” including entities over which the Company has management control.
- **“Good Faith”**: An employee shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- **“Policy or This Policy”** means, “Whistle Blower Policy.”

V. SCOPE

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- Employees of the Company
- Employees of other agencies deployed for the Company’s activities, whether working from any of the Company’s offices or any other location
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- Customers of the Company
- Any other person having an association with the Company

A person belonging to any of the above-mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
6. Any unlawful act whether Criminal/ Civil
7. Pilferage of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage / misappropriation of company funds/assets
10. Bribery or corruption
11. Sexual Harassment
12. Retaliation
13. Breach of IT Security and data privacy
14. Social Media Misuse
15. Breach of Company Policy or failure to implement or comply with any approved Company Policy.

The Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

VI. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

1. Ensure that the Whistle blower and/or the person processing the Protected Disclosure is not victimized for doing so
2. Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization
3. Ensure complete confidentiality
4. Not attempt to conceal evidence of the Protected Disclosure
5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
6. Provide an opportunity of being heard to the persons involved especially to the Subject

VII. ANONYMOUS DISCLOSURES

Whistle blowers are encouraged to put their names to their disclosures. However, individuals may raise concerns anonymously.

As compared to concerns raised where whistle blowers have chosen to identify themselves, the Company will decide to take up an anonymously expressed concern based on the following factors:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

Whistle blowers are, therefore, strongly encouraged to share their identity when making the disclosure.

VIII. PROTECTION TO WHISTLE BLOWER

1. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle blower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
 - a. The Whistle blower has chosen to identify themselves
 - b. The communication/ disclosure is made in good faith
 - c. The Whistle blower reasonably believes that information, and any allegations contained in it, are substantially true; and
 - d. The Whistle blower is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

2. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and disciplinary action taken against any person for misconduct arising from retaliation.

Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistle blower.

IX. ACCOUNTABILITIES – WHISTLE BLOWERS

- a) Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- b) Avoid anonymity when raising a concern.
- c) Follow the procedures prescribed in this policy for making a Disclosure.
- d) Co-operate with investigating authorities, maintaining full confidentiality.
- e) The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Employees are expected to avoid invoking their rights under this Policy to settle personal scores or to give vent to their malicious intentions. Malicious allegations by employees may attract disciplinary action.
- f) A whistle blower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation.
- g) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed.
- h) In exceptional cases, where the whistle blower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the CMD of the Company.

X. ACCOUNTABILITIES – WHISTLE OFFICER, HEAD – PERSONNEL & ADMINISTRATION, POLICY PROCESS OWNER AND WHISTLE COMMITTEE

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding

- c) Maintain strict confidentiality, especially of the whistle blower's identity (if available)
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f) Record Committee deliberations and document the final report

XI. RIGHTS OF A SUBJECT

- a) Subjects have the right to be heard and the Whistle Officer or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter
- b) Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.
- c) Subjects have no right to ask for or be given information about the identity of the whistle blower, even if it is available.

XII. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure made by him and for legitimate reasons or cause under Company rules and policies.

XIII. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with 'Disclosures' are considered confidential information and access will be restricted to the Whistle blower, the Whistle Committee, Whistle Officer, Head – Personnel & Administration and Policy Process Owner. 'Disclosures' and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

XIV. 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 08 years.

XV. REPORTS

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be informed to Board of Directors of the Company.

XVI **COMPANY'S POWERS**

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

