

H S INDIA LIMITED

CIN: L55100GJ1985PLC008264

Reg. Off.: A-1 Manish Kaveri. Building No. 18, Manish Nagar, J. P. Road,
Andheri (W), Mumbai – 400 053, INDIA, Tel: 022-26396768, Fax: 022-26396768,

E-mail: hsindialimited@gmail.com Website: www.hsindia.in

POLICY ON INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

(Approved in Board Meeting held on 12.02.2019)

I. BACKGROUND:

Regulation 9A (5) 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Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of H S India Limited (“Company”) has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information (‘the policy’), for adoption.

II. APPLICABILITY:

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

III. OBJECTIVES:

- To strengthen the internal control system to prevent leak of UPSI.
- To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the Company and which affects the market price of the Company as well as loss of reputation and loss of investors’ / financiers’ confidence in the Company.
- To have a uniform code to curb the un-ethical practices of sharing UPSI by Insider, employee & Designated Person with any person, firm, company or body corporate.
- To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the SEBI.
- To take disciplinary actions, if deemed fit against any insiders employees & designated persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against such person.

IV. SCOPE:

This Policy deals with-

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- Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- Strengthening the internal control system to prevent leak of UPSI.
- Penalizing any insider who appears to have found guilty of violating this policy.

V. **DEFINITIONS:**

- (A) “Board” means the Board of Directors of the Company.
- (B) “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”).
- (C) “Code” means the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.
- (D) “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.
- (E) “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.
- (F) "Unpublished price sensitive information or 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: –
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel;
 - (vi) any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
 - (vi) such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer from time to time.(Regulation 2(1)(n))

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VI. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

On becoming aware of suo moto 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 CIO after informing the same to the Managing Director or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure:-

(A) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise. The objective 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 on any disciplinary action.

The Enquiry Committee shall 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.

(B) Report of Preliminary Enquiry to the Enquiry Committee:

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 5 days from the date of his appointment on this behalf.

(C) Disciplinary Action:

The Disciplinary action(s) shall include, wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

VII. DUTIES OF CHIEF INVESTOR RELATIONS OFFICER:

The CIO shall be responsible to:

- a. Oversee the Compliance of this policy.
- b. Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.
- c. Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- d. To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee.

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VIII. CONSTITUTION OF ENQUIRY COMMITTEE:

The Board of Directors 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 Chief Investor Relation Officer or any other officer of the Company as may be mutually decided by the members of the Committee.

IX. DUTIES OF ENQUIRY COMMITTEE:

The Enquiry Committee shall be responsible:-

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

X. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES AND SEBI :

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that, the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed.

The CIO shall ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and report thereof shall be promptly made available to the SEBI and stock exchanges.

XI. AMENDMENT:

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.