

POLICY GOVERNING THE PROCEDURE OF INQUIRY IN CASE OF ACTUAL OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OF KARTIK INVESTMENTS TRUST LIMITED (“KITL”)

1. PURPOSE

The Policy is framed to lay down the procedure for inquiry in case of any leak, actual or suspected, of the Unpublished Price Sensitive Information (“UPSI”) of Kartik Investments Trust Limited, in pursuance of Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for initiating appropriate action on becoming aware of such leak and for informing the Securities and Exchange Board of India promptly of such leaks, inquiries and results of such inquiries.

2. EFFECTIVE DATE

This Policy shall come into force on April 1, 2019.

3. DEFINITION OF CERTAIN TERMS

- 3.1. **‘Leak of UPSI’** shall refer to such act/circumstance(s) by virtue of which an UPSI is made available or becomes available, by any means or mode to any person other than person(s) authorized by the Board or Chief Investor Relations Officer after following the due process prescribed in this behalf in the Code of Practices for Fair Disclosure of the Company and/or 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 before its official publication or announcement or formal circulation in public domain including a purported attempt thereof.
- 3.2. ‘All terms used herein shall have the same meaning as defined under the Company’s Code of conduct for regulating, monitoring and reporting of trading by Designated Persons in securities of the Company

4. OBJECTIVES:

The objectives of the Policy are:

- (a) To strengthen the internal control system to prevent leak of UPSI;
- (b) To restrict and prohibit sharing of UPSI, with an unauthorized person, which originates from within the Company and which affects the market price of the Company’s securities as well as loss of reputation and investors’/ stakeholders’ confidence in the Company;

- (c) To have a uniform code to curb unethical practice of sharing UPSI by Insiders, Employees and Designated Persons with any person, firm, company or body corporate;
- (d) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to SEBI promptly; &
- (e) To take disciplinary action, if deemed fit against any Insiders, Employees & Designated Persons found guilty of violating the Policy apart from any other action, as appropriate, that SEBI may initiate/take against the Insiders, Employees & Designated Persons.

5. RESPONSIBILITY OF CHIEF INVESTOR RELATIONS OFFICER

- 5.1 The Chief Investor Relations Officer shall be responsible to (i) Oversee the compliance of this Policy; (ii) Report any incidents of actual or suspected leak of UPSI to the Enquiry Committee; (iii) Instruct and facilitate the Compliance Officer in reporting incidents of actual or suspected leak of UPSI to SEBI; (iii) Instruct and facilitate the Compliance Officer in communicating incidents of actual or suspected leak of UPSI to the Stock Exchanges; & (iv) Perform such other responsibilities and actions as the Board may require him to do, from time to time, under this Policy or the Code of Practices for Fair Disclosure of the Company.
- 5.2 The Chief Investor Relations Officer shall be authorized to seek such information from the Insiders, Employees and Designated Persons as may be required to ensure or verify compliance with this Policy and the SEBI Insider Trading Regulations and to give such permissions or approvals as are specified in this Policy.

6. RESPONSIBILITY OF COMPLIANCE OFFICER

- 6.1 The Compliance Officer shall be responsible to (i) Facilitate the Chief Investor Relations Officer in ensuring the compliance of this Policy; (ii) Report the incidence of actual or suspected leak of UPSI to SEBI; (iii) Communicate the incidents of actual or suspected leak of UPSI to the Stock Exchanges; (iv) Co-ordinate with the Chief Investor Relations Officer in facilitating disclosure of the relevant facts of the incidence of actual or suspected leak of UPSI to the Enquiry Committee; & (v) Perform such other responsibilities and actions as the Board may require him to do, from time to time, under this Policy or the Code of Practices for Fair Disclosure of the Company.
- 6.2 The Compliance Officer shall assist the Insiders, Employees and Designated Persons in addressing any clarifications regarding the SEBI Insider Trading Regulations and this Policy.
- 6.3 In the absence of the Compliance Officer for any reason, any senior officer, reporting to the Board or the Managing Director, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance, shall carry

out the responsibilities of the Compliance Officer as required under this Policy and the Regulations.

7. CONSTITUTION OF ENQUIRY COMMITTEE

7.1 The Company has constituted an Enquiry Committee to look into and handle allegation of actual or suspected leak of UPSI.

The Enquiry Committee shall consist of at least 3 (three) Members viz., the Chief Investor Relations Officer, the Compliance Officer and the Chief Financial Officer.

7.2 If the issue involves or if any allegation is made against any of the members of the Enquiry Committee, then the matter shall be referred to the Audit Committee for investigation.

7.3 The Enquiry Committee is 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 on the disciplinary action thereon; &
- (e) To consider such other matter(s) as may be required by the Board.

8. PROCEDURE FOR ENQUIRY INTO ACTUAL OR SUSPECTED LEAK OF UPSI

8.1 The Enquiry Committee shall follow the below procedure in enquiring or investigating any actual or suspected leak of UPSI, on becoming aware of an actual or suspected leak of UPSI, on its own or otherwise, by any Promoter, Director, Key Managerial Person, Insider, Employee, Designated Person or any other person:

(a) Take cognizance of the matter

Within a period of 7 (seven) working days of becoming aware of an incident of actual or suspected leak of UPSI, the Enquiry Committee shall meet to take cognizance of the matter and decide on the following:

- i) If it finds the allegation to be frivolous or not maintainable or not within the scope, then to dismiss the same, or
- ii) If it finds the matter requires further investigation, to initiate a preliminary enquiry thereon.

(b) Conduct a preliminary enquiry and investigation

The purpose of conducting a 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 action as may be warranted.

In order to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI, the Enquiry Committee may, if required, appoint/authorise the Chief Investor Relations Officer or any other person(s), as it may deem appropriate, to initiate/conduct an enquiry to collect the relevant facts, material substances on the actual or suspected leak of UPSI. Within 4 working days of its decision to conduct a preliminary enquiry based on the merits of the case, the Committee shall write to the complainee intimating the details of the complaint requesting him or her to give a written representation within 4 working days of the receipt of the letter.

On receipt of the written representation, the Committee shall proceed to investigate the matter and for such purpose may consult such persons, whether internal or otherwise, as they may feel expedient in this regard.

During the course of the investigation, the committee may call for additional information as they may deem fit.

If no representation is received from the complainee within the stipulated time, the Committee shall issue a notice to the complainee asking him to show cause as to why the company should not initiate disciplinary proceedings as applicable against him/her.

(c) Action

Upon receipt of the response to show cause or if no response is received, then on the basis of its investigation report the Enquiry Committee shall decide on appropriate disciplinary action against the persons(s) found to be guilty in the matter. The action of the Committee may include but not be limited to warning, wage freeze, suspension, ineligibility for future participation in ESOP, recovery and termination.

9. INTERPRETATION OR CLARIFICATION

In case any difficulty or doubt arises in the interpretation of this Policy, the matter shall be referred to the Chief Investor Relations Officer and his/her decision shall be final and binding.

10. DISCLAIMER

This Policy is the internal policy of the Company to provide for the procedure for inquiry in case of any actual or suspected leak of UPSI. It is however the responsibility of each Insiders, Employees & Designated Persons to ensure compliance with the provisions of the

SEBI Insider Trading Regulations and other related laws. The Company shall not be responsible or liable for any violation or contravention by any of the Insiders, Employees & Designated Persons of the SEBI Insider Trading Regulations and other related laws.

11. OTHERS

- 11.1. The Chairman of the Board is authorized to make minor modifications to this Policy which would remove ambiguities, enhance clarity on the provisions etc. Any major modifications to the Policy however will require prior authorization by the Board.
- 11.2. Where the Company engages a service provider who is a Connected Person, the head of the department at the Company, which engages such Connected Person is responsible for communicating the requirements of this Policy to such Connected Person and verify whether such Connected Person has a similar Policy applicable to its employees to prevent such persons from misusing UPSI of the Company, as well as the efficacy of implementation of such Policy by those Connected Persons.
