

CAPROLACTAM CHEMICALS LIMITED

POLICY AND PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

PREAMBLE

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (PIT Amendment Regulations) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of CAPROLACTAM CHEMICALS LIMITED has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information ('the policy'), for adoption. This Policy shall be deemed to have come in to force from April 1, 2019.

OBJECTIVE

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate.
- (iii) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India (SEBI) promptly.
- (iv) To take disciplinary actions, if deemed fit against any Insider, Employee and Designated Persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons.

SCOPE

To lay procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the regulatory authorities promptly of such leaks, inquiries and results of such inquiries.

DEFINITIONS

'Board' shall mean the Board of Directors of CAPROLACTAM CHEMICALS LIMITED

'Company' means CAPROLACTAM CHEMICALS LIMITED

'Designated Employee' means:-

- i. Every employee at the managerial level and above,
- ii. Every Executive Secretary / Executive Assistant to every employee at the managerial level & above.
- iii. Every employee in the finance department, accounts department, internal audit & control assurance department and legal & secretarial department,
- iv. Such other employee as may be specified by the Compliance Officer to be a designated employee, keeping in mind the objective of this code of conduct.

'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 person in taking decisions relating to trading in securities.

'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, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

"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 financial results, dividends, change in capital structure, mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions, changes in key managerial personnel, material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other matter as may be amended from time to time.

APPLICABILITY

This policy shall apply to all Designated Employee and Immediate Relative of Designated Employee and persons in possession of or having access to unpublished price sensitive information.

Process of inquiry in case of leak of UPSI or suspected leak of UPSI

1. Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated employee, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government.
2. The complaint shall inter alia state particulars of the complainee and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged.
3. The Complaint shall be addressed to the Chairman or Managing Director (MD) or Chief Executive Officer (CEO), by whatever name called.
4. Within 5 (five) working days of receipt of the complaint, the Chairman or the MD or the CEO shall appoint a Senior Management employee to investigate the complaint ("Inquiry Officer"). If the Chairman or the MD or the CEO feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company then he will discard the complaint with reasons recorded in writing.
5. Within 5 (five) working days of appointment, the Inquiry Officer will write to the complainee intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter.
6. Within 7 (seven) working days of receipt of representation, the Inquiry Officer shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During the course of such investigation, the Inquiry Officer may call for such additional documents, representations, etc. as he may deem fit.
7. If no representation is received within the aforesaid stipulated time, the Inquiry Officer shall issue notice to the complainee asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
8. On completion of the preliminary investigation under point 6, receipt of reply to the show cause notice issued under point 7 or on non-receipt thereof, the Inquiry Officer shall refer the matter to the the Chairman or the MD or the CEO, alongwith his opinion, for his consideration.
9. The Chairman or the MD or the CEO shall consider the matter and put forward its recommendation to the Board, if there is a leakage of UPSI. The Board, on receipt

of such recommendation and after due review, if forms an opinion that the complaine is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary action against complaine, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any other statutory enactments, as applicable.

10. The Company suo moto reserves the right of initiating an inquiry under this Policy against any designated employee if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.

MISCELLANEOUS

1. This Policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Whistle Blower Policy of the Company.
2. The word MD or CEO wherever referred in this Policy shall mean and include head of the Company, whether occupying board position or not, by whatever name called.
3. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision and also replace this Policy entirely with a new Policy.
4. Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any other relevant legislation/law applicable to the Company, as amended from time to time.

DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:

On becoming aware of actual or suspected leak of UPSI of the Company, the Compliance Officer shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed.

REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI:

On becoming aware of actual or suspected leak of UPSI of the Company, the Compliance Officer shall ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI.

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.

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 or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
