

CRESTCHEM LIMITED  
CIN: L24100GJ1991PLC015530

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POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”) [Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015] This Policy shall come into effect from April 1, 2019

### Background

The Committee constituted by Securities and Exchange Board of India (“SEBI”) to review the Insider Trading Regulation noted the recent cases of leak of Unpublished Price Sensitive Information (“UPSI”) related to listed entities on Instant Messaging apps. Such information originates from within the company and affects the listed company in terms of its market price as well as loss of reputation and loss of investors’ / financiers’ confidence in the company. Leakage of UPSI from a company is a matter of serious concern not only for the regulator but for the company as well, and listed companies should take responsibility to find out sources responsible for the leakage and plug loopholes in the internal control systems to prohibit reoccurrence of such leakage of UPSI.

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Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.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Board of Directors of CRESTCHEM LIMITED(Company”) has laid down this policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information (“the Policy”).

### I. Objective

- (i) To strengthen the internal control system to prevent leak of UPSI.
- (ii) To preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information.
- (iii) 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.
- (iv) 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.
- (v) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the Securities and Exchange Board of India (“SEBI”).

(vi) To take disciplinary actions, if deemed fit against any Insider, Employee & 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.

II. 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 Board promptly of such leaks, inquiries and results of such inquiries.

This policy is an extension of the CRESTCHEM LIMITED's- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.

III. Applicability This Code shall be applicable with effect from April 1, 2019.

IV. Definitions:

- (i) Chief Investor Relation Officer ("CIO") shall mean the Compliance Officer or such other Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Prohibition of Insider Trading ) Regulations, 2015.
- (ii) Disciplinary Action means any action that can be taken on the completion of / during the investigation proceedings including but not limiting 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.
- (iii) Support Staff, shall include IT Staff, Secretarial Staff, Legal Staff, Finance Staff, Strategy Staff who have access to unpublished price sensitive information.
- (iv) Un-published Price Sensitive Information ("UPSI") shall mean any information, relating to a company or its securities, that is not generally available directly or indirectly, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following;
  - a) Periodical Financial Results of the Company;
  - (iii) b) Intended declaration of dividends (Interim and Final);
  - (iv) c) Change in capital structure i.e. Issue of securities, Buy - Back of securities, Split, Consolidation of Shares or any forfeiture of shares and such other transactions of similar nature or change in market lot of the Company's shares;
  - d) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, Disposals, Spin Off or Selling Division of Whole or Substantially Whole of the Undertaking and Expansion of Business and such other transactions;
  - (v) e) Changes in Key Managerial Personnel.
- (vi) Note: Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013

and the Rules and Regulations framed there under shall have the meanings respectively assigned to them in those legislation.

(v) Leak of UPSI: shall mean communication of information which is / shall be UPSI, by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board or Chief Investor Relation Officer (CIO) of the Company 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, or any other law may be applicable for time being in force and any amendment, re- amendment or re-enactment thereas.

V. Duties of Chief Investor Relations Officer:

The CIO shall be responsible to;

(i) Oversee the Compliance of this policy.

(ii) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Inquiry committee.

(iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.

(iv) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.

VI. Disclosure of actual or suspected leak of UPSI to Stock Exchanges & 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 in the format as set out in "Annexure-A" to this policy.

VII. Report of actual or suspected leak of UPSI to SEBI: On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that a report on such actual or suspect leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in "Annexure- B" to this policy.

VIII. Constitution of Inquiry Committee: In case of actual or suspected leak of UPSI, a Committee shall be constituted by the Board of Directors or by the Managing Committee of the Board or of such person(s) as may be of the authorized by the Board or Managing Committee in this behalf, to be called as "Inquiry Committee" to perform such duties as may be prescribed by this Code or by any other applicable law for the time being in force. The Inquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, and / or any other officer(s) of the Company as the Board of Directors or the Managing Committee of the Board of Directors, may deem fit.