



**POLICY ON PROCEDURE FOR INQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION
OF
PARAMATRIX TECHNOLOGIES LIMITED
(Formerly known as "Paramatrix Technologies Private Limited")**

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PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

1. 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and Exchange Board of India (“SEBI”) to review the Insider Trading Regulation noted the recent cases of leak of Unpublished Price Sensitive Information (“UPSI”) related to listed entities on Instant Messaging apps.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Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate action on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.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of Paramatrix Technologies Limited (“Company”) has laid down this policy for Procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information (“the Policy”).

2. OBJECTIVE

- 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 Insiders, Employee & Designated Persons 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 Securities and Exchange Board of India (“SEBI”).
- 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.

3. SCOPE

The Policy shall be applicable to all the Insiders. The Committee shall implement the procedures under this Policy for initiating inquiry in case of leak or suspected leak of UPSI and inform SEBI and the Stock Exchanges promptly of such leaks, inquiries and outcome of such inquiries.

4. DEFINITION

a. Chief Investor Relation Officer (“CIO”)

shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Prohibition of Insider Trading) Regulations, 2015.

b. Support Staff

shall include IT Staff, Secretarial Staff, Legal Staff, Finance Staff, Strategy Staff who have access to unpublished price sensitive information.

c. Un-published Price Sensitive Information (“UPSI”)

shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally available in the public domain, 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;
- b) Declaration of dividends (Interim and Final);
- 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;
- 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;
- e) Changes in Key Managerial Personnel;
- f) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- g) Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- h) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

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.

d. 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 thereto.

5. SHARING OF UPSI

- a. A person who is covered under the Policy and who is in possession of or having access to the UPSI, shall share the UPSI only for legitimate purposes, performance of duties or discharge of legal or statutory obligations, in adherence to the Code.
- b. When any UPSI is shared, it must be recorded in the Structured Digital Database of the Company in the manner as prescribed in the Code.
- c. Any non-compliance with sub clauses above will be construed as leakage of UPSI.

6. 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 and SEBI.

7. REPORT 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 a report on such actual or suspect leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly informed to the Stock Exchanges on which the securities of the Company are listed and SEBI.

8. CONSTITUTION OF INQUIRY COMMITTEE

In case of actual or suspected leak of UPSI, a Committee shall be constituted by the Board of Directors or of such person(s) as may be authorized by the Board 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, Chief Financial Officer and Chief Investor Relation Officer and / or any other officer(s) of the Company as the Board of Directors, may deem fit.

The Board of Directors may change/alter/re-constitute the Inquiry Committee as may be required from time to time.

9. DUTIES OF INQUIRY COMMITTEE:

The Inquiry Committee shall be responsible;

- (a) To conduct a preliminary inquiry 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.

10. POWERS OF THE INQUIRY COMMITTEE

For the purpose of conducting an inquiry, the Inquiry Committee may:

- a. call upon
 - persons to seek clarification or information pertaining to the leak;
 - person(s) involved in originating, processing and dissemination of relevant information; • person(s) who had access to the information;
 - any market intermediaries, fiduciaries and other person(s)/ entity(ies) who have access to UPSI.
- b. At its discretion, invite external investigators / experts.
- c. Take interim actions including sending the Suspect on leave, restrict physical access to any records or premises, freeze access to computer systems, electronic devices or emails, etc, during the pendency of the Inquiry.
- d. To take disciplinary action thereon including the wage freeze, suspension, recovery, claw back, termination etc.
- e. Do all such acts, deeds, matters and things as are necessary for the purpose of the conduct of the Inquiry.

11. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI

The Inquiry Committee shall on suo-moto after 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 un-known person, shall follow the below mentioned procedure in order to inquire and/or otherwise investigate the matter.

(a) To take Cognizance of the matter:

The Inquiry Committee shall meet within a period of 2 (two) 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 Inquiry may be initiated.

(b) Preliminary Inquiry:

Preliminary Inquiry is a fact-finding exercise which shall be conducted by the Chief Investor Relation Officer. The object of preliminary inquiry 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.

(c) Report of Preliminary Inquiry to the Inquiry Committee:

The Chief Investor Relation Officer or Person(s) appointed/authorized to inquire the matter of actual or suspected leak of UPSI shall submit his report to the inquiry Committee within 7 days from the date of his appointment on this behalf.

(d) 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 inquiry Committee, in addition to the action to be initiated by SEBI, if any.

12. AMENDMENT

The Board of Directors (including its duly constituted committees wherever permissible), of the Company, in sync with 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.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

13. DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. www.paramatrix.com.

Note:

1. This Policy shall come into effect from December 27, 2023.
