



**POLICY FOR PROCEDURE OF INQUIRY IN
CASE OF LEAK OR SUSPECTED LEAK OF
UNPUBLISHED PRICE SENSITIVE
INFORMATION**

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1. Background

The SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI PIT Regulations**”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information (“**UPSI**”) and initiate appropriate action on becoming aware of leak or suspected leak of UPSI and inform the Securities and Exchange Board of India (“**SEBI**”) promptly of such leaks, inquiries and results of such inquiries.

In this regard, board of directors of Veritas Finance Limited (the “**Company**”) has laid down this policy for procedure of inquiry in case of leak or suspected leak of UPSI (the “**Policy**”) which shall come into force with effect from January 09, 2025.

2. Objective

- i. To strengthen the internal control system to prevent leak of UPSI.
- ii. To restrict and prohibit the practice of sharing of UPSI, with an 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.
- iii. 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.
- iv. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to the SEBI.
- v. To take disciplinary actions, if deemed fit against any Insider, employee & Designated Person who appears to have found guilty of violating this Policy, apart from any action that SEBI may initiate/take against such person.

3. Definition

- a) “**Board**” means the Board of Directors of the Company.
- b) **Investigating Officer (“IO”)**

Investigating Officer shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI PIT Regulations.

- c) **Inquiry Committee**

Inquiry Committee means the committee set up in terms hereof to conduct inquiry against any case of leak or suspected leak of UPSI.

- d) **Leak of UPSI:**

Leak of UPSI shall refer to such communication of information by any Insider, employee & Designated Person of the Company, by virtue of which UPSI is made available or becomes available, by any means or mode to any person before its official publication or announcement or formal circulation in public domain.

e) Unpublished Price Sensitive Information (“UPSI”)

UPSI means any information, relating to the 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 of the Company and shall, ordinarily include but not be restricted to, information relating to the following:

- i. financial results
- ii. dividends
- iii. change in capital structure
- iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- v. changes in key managerial personnel.

Words and expressions used but not defined in this Policy shall have the same meaning ascribed to them in the SEBI PIT Regulations or 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 made thereunder, as the case may be or in any amendment thereto.

4. Duties of Investigating Officer

The IO 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) Report the incident of actual or suspected leak of UPSI to the SEBI.

5. Report of actual or suspected leak of UPSI to the SEBI

On becoming aware of actual or suspected leak of UPSI of the Company, whether suo moto or by way of receipt of information from any person, the IO shall ensure that: (a) the matter is placed for consideration before the Inquiry Committee, and (b) a report on such actual or suspect leak of UPSI and results thereof shall be promptly informed to the SEBI upon conclusion of the inquiry.

6. Constitution of Inquiry Committee

In case of actual or suspected leak of UPSI, a Committee shall be constituted by the Board or by the Committee of the Board or of such person(s) as may be of the authorized by the Board or 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.

Inquiry Committee shall consist of the following person(s),

- Chairman of the Audit Committee.
- Managing Director

- Chief People Officer
- Company Secretary and Compliance officer

7. 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.
- (e) To provide a copy of the proceedings and details of action taken by the committee to the Board, Stock Exchanges and other regulators.

8. Procedure for the Inquiry in case of a Leak/suspected Leak

(i) Source of information relating to the leak of UPSI

Any member of the Inquiry Committee shall, on becoming aware, suo moto or on receipt of an intimation of a leak or suspected leak of UPSI from:

- the suspect; or
- regulatory authorities; or
- written complaint or an e-mail from whistle-blower; or
- internal monitoring mechanisms; or
- any other person(s)

follow the below-mentioned procedure in order to inquire about the matter if the matter merits inquiry.

(ii) Preliminary Inquiry

The object of preliminary inquiry is to establish prima facie case based on the information or complaint about leak or suspected leak of UPSI. The Inquiry Committee shall ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and collect necessary available material in support of the allegations, and thereafter decide whether there is justification to initiate further inquiry. In the event, the Inquiry Committee considers the complaint or information baseless or frivolous, it shall dismiss the Inquiry. The Compliance Officer shall intimate SEBI and the Stock Exchanges about such Leak or suspected Leak of UPSI.

It is clarified that market rumours, inferences based on media reports or observations made by analysts etc. will not necessarily trigger a preliminary enquiry, and the Inquiry Committee shall have the discretion to decide if a preliminary enquiry is required to be undertaken in

each case.

(iii) Detailed Inquiry

If the prima facie is established, the Inquiry Committee shall proceed to conduct a detailed inquiry.

The Inquiry Committee shall appoint and/ or authorise the Compliance Officer or any other person(s) as it may deem fit, to collect the relevant facts, materials and documents substantiating actual or suspected leak of UPSI.

The Inquiry Committee shall complete the inquiry within 30 (thirty) working days or such period of time as reasonably deemed fit by the Inquiry Committee from the date of receipt of such intimation.

Upon conclusion of the inquiry:

- the Inquiry Committee shall intimate to the Board of its findings, along with a summary of the procedures followed and the action taken;
- if the Inquiry Committee is of the opinion that a leak has occurred and in the event the Inquiry Committee has identified the person(s) responsible for or involved in the leak, it will take appropriate action, take disciplinary and penal action and any other steps it deems fit and necessary such as dismissal, wage freeze, suspension, recovery and disqualification from future participation in the employee stock options scheme (if any) etc.;
- it is clarified that any action taken by the Securities and Exchange Board of India for violation of the Insider Trading Regulations and any other applicable laws shall not preclude the Inquiry Committee from taking any disciplinary, penal or other action.

The Compliance Officer shall simultaneously intimate SEBI and the Stock Exchanges about such Leak or suspected Leak of UPSI.

Inquiry Committee may seek advice of any other person as it may deem fit for completion of any inquiry. If any member of the Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself, and other members of the Inquiry Committee shall deal with the matter.

In the conduct of inquiry, the Inquiry Committee shall have due regard to the principles of natural justice, and will provide an opportunity of being heard and making submissions etc., to the persons against whom the allegations of the Incident have been levelled. The Inquiry Committee will be required to duly consider the same while arriving at its conclusions.

The Inquiry Committee will ensure that the details in relation to the inquiry, including the initial assessment, shall be shared within and outside the Company strictly on a 'need to know' basis. In cases where the inquiry has been initiated based on a complaint from a whistle-blower, the Inquiry Committee will keep the identity of the whistle-blower confidential.

9. Powers of the Inquiry Committee

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

- (i) 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.
- (ii) At its discretion, invite external investigators / experts.
- (iii) 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.
- (iv) To take disciplinary action thereon including the wage freeze, suspension, recovery, claw back, termination etc.
- (v) Do all such acts, deeds, matters and things as are necessary for the purpose of the conduct of the Inquiry.

10. Amendment

The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.