

ARNOLD HOLDINGS LIMITED

CIN No: L65993MH1981PLC282783

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

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POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“UPSI”)

A. Preamble

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every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information (“UPSI”) and initiate appropriate action on becoming aware of leak or suspected leak of UPSI and inform Securities and Exchange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

In this regard, Board of Directors of Arnold Holdings Limited (“Company”) has laid down this policy for Procedure of Inquiry in case of leak or suspected leak of UPSI (“the Policy”).

B. Object

To comply with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015 ("SEBI PIT Regulations"). This Policy, made pursuant to Regulation 9A (5) of the SEBI PIT Regulations, aims to define and establish rules and processes for the Company with respect to:

- i) To strengthen the internal control system to prevent leak of UPSI.
- ii) 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.
- 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.
- vi) To lay down the procedures for inquiry in case of leak of USPI or suspected leak of UPSI and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

C. Definitions and Interpretations:

In this Code, words and expressions shall have the meaning assigned to them below:

“Act”	shall mean the Companies Act, 2013 and rules framed thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time;
“Board”	shall mean the Board of Directors of the Company;
“Code”	shall mean Code of Internal Procedures and Conduct for Prevention of Insider Trading adopted by the Company;
“Company”	shall mean Arnold Holdings Limited;
“Compliance Officer”	Any senior officer, designated so and reporting to the Board of Directors or head of the organization in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of the Company or the head of an organization, as the case may be, in compliance with the provisions of the SEBI PIT Regulations;
“Connected Person”	<p>As defined under Clause 2(d) of the SEBI PIT Regulations, a Connected Person shall mean:</p> <ol style="list-style-type: none"> i. any person who is or has, during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access; ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be Connected Persons unless the contrary is established:

- a) an immediate relative of Connected Persons specified in clause (i); or
- b) a holding company or associate company or subsidiary company; or
- c) an intermediary as specified in Section 12 of the Securities and Exchange Board Act, 1992, as amended, or an employee or director thereof; or
- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the Board of Directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the Board of Directors or an employee, of a public financial institution as defined in section 2(72) of the Act; or
- h) an official or an employee of a self-regulatory organization recognized or authorized by SEBI; or
- i) a banker of the Company; or
- j) a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;

“Generally Information Available”

shall mean information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.;

“Insider”

As defined under Clause 2 (g) of the SEBI PIT Regulations, shall mean any person who is a Connected Person; or in possession of or having access to UPSI;

“Insider Trading”

shall mean actions where insiders use UPSI to arrive at securities trading/dealing (including buying as well as selling) decisions;

“Investigating Officer (“IO”)

shall mean the Compliance Officer of the Company appointed by the Board of Directors pursuant to the SEBI Insider Trading Regulation.

“Leak of UPSI”

shall mean 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.

“SEBI”	shall mean the Securities and Exchange Board of India;
“SEBI PIT Regulations”	shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto;
“Security”	shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund;
“Stock Exchange”	shall mean the BSE Limited, National Stock Exchange of India and any other stock exchange which is recognized by the Central Government or SEBI under the Securities Contracts (Regulation) Act, 1956 and any amendments thereto;
“Unpublished Price Sensitive Information” / “UPSI”	means any information, relating to a company or As defined under Clause 2 (n) of the SEBI PIT Regulations, shall mean any person who is a Connected Person; or in possession of or having access to UPSI.

D. Duties of Investigating Officer

The IO shall be responsible to;

- a) Oversee the compliance of this Policy.
- b) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Inquiry committee.
- c) Report the incident of actual or suspected leak of UPSI to the SEBI.

E. 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.

F. 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.

The Inquiry Committee shall consist of minimum 3 (three) Members which shall include Chief Financial Officer and Investigating Officer and / or any other officer(s) of the Company as the Board or the Committee of the Board, may deem fit.

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

G. 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.

H. Procedure for inquiry in case of leak of UPSI

The Inquiry Committee shall upon receipt of written complaint or becoming aware or otherwise, of actual or suspected leak of UPSI of the Company 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 or becoming aware of actual or suspected leak of UPSI, take cognizance of the matter and decide as follows:

If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.

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 IO. 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.

The Inquiry Committee, if required and in addition to IO may also appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an inquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI, including, seeking oral and written representations from any person(s) alleged to have caused the leak of UPSI.

c) Report of Preliminary Inquiry to the Inquiry Committee:

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

d) Proceedings before the Inquiry Committee:

On receipt of recommendation of IO and after due review of evidence(s)/ record(s) and representation(s) made by the person(s) alleged to have cause leak of UPSI, if the Inquiry committee forms an opinion that such person(s) is/are guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary Disciplinary Action, which will be in addition to the penal provisions stated under SEBI Insider Trading Regulations and any other statutory enactments, as applicable.

e) 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 the SEBI, if any.

I. 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.
