



**KALPA-TARU<sup>®</sup>**

**KALPATARU LIMITED**

**Code of Internal Procedures and Conduct for Regulating,  
Monitoring and Reporting of trading by Insiders**

## Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Insiders

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## 1. PREAMBLE

The Securities and Exchange Board of India, as a part of its efforts to protect the interest of investors in general, had issued the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, under the powers conferred on it by the Securities and Exchange Board of India Act, 1992. These Regulations became applicable to all listed companies, with effect from May 15, 2015.

Kalpataru Limited's 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' is framed in line with PIT Regulations, for the purpose of Regulating, Monitoring and Reporting of trading by the Designated Persons of the Company and their Immediate Relatives as defined in this Code, unless the compliances are specifically mentioned as applicable to Insiders and Connected Persons.

## 2. DEFINITIONS

- 2.1. **"Act"** means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- 2.2. **"audit committee"** means the committee of the Board constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.
- 2.3. **"Board"** means the Board of Directors of the Company.
- 2.4. **"code"** or **"code of conduct"** shall mean the 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' of the Company, as amended from time to time.
- 2.5. **"Companies Act"** means the Companies Act, 2013, as amended from time to time.
- 2.6. **"contra trade"** means a Trade or transaction which involves buying or selling any number of shares of the Company within 6 (six) months of Trading or transacting in an opposite transaction involving selling or buying of the shares purchased or sold, as the case may be.
- 2.7. **"company"** means Kalpataru Limited.
- 2.8. **"compliance officer"** means 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 unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

**2.9. “connected person” means:**

- (i) any person who is or has during the six months prior to the concerned act been associated with a 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 unpublished price sensitive information 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, or a person sharing residence with, a Connected Person, as specified in clause (a); or
  - (b) a holding company or associate company or subsidiary company; or
  - (c) an intermediary as specified in section 12 of the Act 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 Companies Act, 2013; or
  - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; 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 a company or his immediate relative or banker of the company, has more than 10% of the holding or interest.

**2.10. “designated employee(s)” means:**

- (i) Key Managerial Personnel (KMP) of the Company and its subsidiaries
- (ii) Secretaries and personal assistants of Chairman, Managing Director, Executive Director, Commercial Heads and Chief Financial Officer of the Company, and employees up to two levels below the Chief Executive Officer / Managing Director of the Company and its subsidiaries
- (iii) Employees in the grade of General Manager & above in Finance, Accounts, Corporate Secretarial, Taxation, IT departments of the Company and its subsidiaries
- (iv) Vice President and above of the Company
- (v) Such other employees as may be decided by the Board of Directors / Managing Director / Compliance Officer on case to case basis

**2.11. “designated persons” means the Directors, the Designated Employees, the Promoters or any other person as may be determined and informed by the Compliance Officer from time to time.**

- 2.12. "director"** means a member of the Board of Directors of the Company.
- 2.13. "DP Act"** means the Depositories Act, 1996, as amended from time to time.
- 2.14. "employee"** means every employee of the Company including the Directors in the employment of the Company.
- 2.15. "generally available information"** means information that is accessible to the public on a non-discriminatory basis.
- 2.16. "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.
- 2.17. "informant"** means an individual who voluntarily submits to the SEBI a Voluntary Information Disclosure Form relating to an alleged violation of insider Trading Laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward.
- 2.18. "insider"** means any person who is:
- (i) a connected person; or
  - (ii) in possession of or having access to unpublished price sensitive information.
- 2.19. "key managerial personnel"** means person as defined in Section 2(51) and Section 203 of the Companies Act, 2013.
- 2.20. "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.
- 2.21. "legitimate purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- 2.22. "material financial relationship"** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of such Designated Person's annual income but shall exclude relationships in which the payment is based on arm's length transactions.
- 2.23. "promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 2.24. "promoter group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

**2.25. "proposed to be listed"** shall include securities of an unlisted company:

- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
- (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;

**2.26. "Regulations or PIT Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

**2.27. "SCRA"** means the Securities Contracts (Regulation) Act, 1956, as amended from time to time.

**2.28. "SEBI"** shall mean the Securities and Exchange Board of India.

**2.29. "securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

**2.30. "specified"** means specified by the Board in writing.

**2.31. "takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

**2.32. "trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

*Note: Under the parliamentary mandate, since the Section 12A (e) and Section 15G of the Act employs the term 'dealing in securities', it is intended to widely define the term "trading" to include dealing. Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc. when in possession of unpublished price sensitive information.*

**2.33. "trading day"** means a day on which the recognized stock exchanges are open for trading.

**2.34. "trading window"** means a Trading period for Trading in the securities of the Company as specified by the Company from time to time.

**2.35. "unpublished price sensitive information or 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 the following:

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

**2.36. “whistle-blower”** means an employee who reports instance of leak of Unpublished Price Sensitive Information under this Code.

**2.37. “Whole-time Director”** shall have the meaning ascribed to such term under the Companies Act, 2013.

### **3. INTERPRETATION**

In the event of any conflict between this Code and the Insider Trading Regulations, the Insider Trading Regulations shall prevail. Words and expressions used and not defined in these regulations but defined in the SEBI Act, SCRA, DP Act or Companies Act and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

This Code can be modified / amended / altered only by Board of Directors of the Company however, in case of any statutory modification or amendment or alteration of the provisions of PIT Regulations, the newly modified / amended / altered provisions of the PIT Regulations shall be deemed to be incorporated in the Code and implemented immediately with effect from the date of the statutory notification for modification or amendment or alteration etc.

### **4. ROLE OF COMPLIANCE OFFICER**

- 4.1** The Compliance Officer shall be responsible, under the overall supervision of the Board, for ensuring compliance of the policies, procedures, maintenance of records, monitoring, adherence to the rules for the preservation of unpublished price sensitive information, ensuring confidentiality, monitoring of Trade(s) as per the Code, implementation of the Code, maintaining records of the Designated Persons and their Immediate Relatives, the structured digital database as per this Code and any updation thereto and providing guidance and clarifications sought by the Designated Persons regarding the Insider Trading Regulations and the Code.
- 4.2** The Compliance Officer shall report to the Board of Directors of the Company and the Chairman of the Audit Committee, on quarterly basis or at such frequency as may be stipulated by the Board of Directors, in respect of Trading in the Securities of the Company by the Designated Persons and their Immediate Relatives, the trading plans and pre-clearances approved and rejected by the Compliance Officer.
- 4.3** The Compliance Officer shall assist all employees in addressing any clarifications regarding the PIT Regulations and the Code.
- 4.4** The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- 4.5** The Compliance Officer shall monitor, review and approve all trading plans.
- 4.6** The Compliance Officer shall, based on his discretion and occurrence of specific events detailed in this Code, regulate and monitor the Trading Window of the Securities of the Company.
- 4.7** The Compliance Officer shall inform the stock exchange(s), where the securities of the Company are traded, promptly in case it is observed that there has been any violation of the Insider Trading Regulations.

- 4.8** The Compliance Officer shall be responsible to oversee maintenance of a structured digital database containing the nature of Unpublished Price Sensitive Information, the names of such persons who have shared the information and also the names of such persons with whom information is shared under the Insider Trading Regulations, along with the Permanent Account Number or any other identifier authorized by law where the Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally by the Company with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance Officer shall also be responsible for any pupation of the structured digital database.
- 4.9** The Compliance Officer shall discharge other functions and duties as prescribed in the Code and the Insider Trading Regulations.

## **5. PRESERVATION OF CONFIDENTIALITY OF UPSI / CONFIDENTIAL INFORMATION**

- 5.1** All information shall be handled within the Company on a need-to-know basis. No insider shall communicate, provide or allow access to any unpublished price sensitive information, or no person shall procure or cause communication by any insider of unpublished price sensitive information relating to the Company or securities of the Company listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Any person who is in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with PIT Regulations and the Code in this regard.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or
- not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, for above mentioned purposes, the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the abovementioned purpose and shall not otherwise trade in securities of the Company when in possession of such unpublished price sensitive information.



The Board shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance Officer shall be primarily responsible for maintaining such database.

The Company shall maintain lists of all employees and other persons with whom unpublished price sensitive information is shared and confidentiality agreements shall be signed or notice shall be served to all such employees and persons.

Persons should be brought 'inside' on sensitive transactions only on a need to know basis. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information and he should be instructed to maintain confidentiality of such Unpublished Sensitive Information in compliance with the PIT Regulations.

The Compliance Officer shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

## **5.2 Need to Know**

"need to know basis" means that unpublished price sensitive information should be disclosed only to those persons within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

## **5.3 Chinese wall procedure**

To prevent the misuse of unpublished price sensitive information, the Company has adopted the 'Chinese Wall' policy which separates those areas of the Company which routinely have access to Unpublished Price Sensitive Information, considered 'inside areas' from other areas or departments, considered 'public areas.' As such, Chinese Walls are designed to operate as barriers to the passing of unpublished price sensitive information.

Where Chinese Wall arrangements are in place, Designated Persons working within an insider area are prohibited from communicating any confidential or inside information to other Persons in public areas.

Employees within a Chinese wall have a responsibility to ensure that Chinese wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese wall must be referred to the Compliance Officer immediately.

In exceptional circumstances, any person, who needs to cross the Chinese wall, shall seek a prior approval of his / her Business Unit Head under the intimation of Compliance Officer for crossing such wall and having an access or providing an access to such confidential information.

Within inside areas, the obligation to communicate, provide, or allow access to any Unpublished Price Sensitive Information only on a need-to-know basis and confidentiality shall be in effect.

**a) Limited access to confidential information**

The Designated Persons privy to confidential information or unpublished price sensitive information shall, in preserving such information and to prevent its wrongful dissemination, adopt among others, the following safeguards.

- Files and documents containing confidential information shall be kept secure.
- Hard files, papers, electronic appliances containing price sensitive informationshall be kept under lock and key.
- Ensure confidentiality when printing, emailing, photocopying, scanning etc.

**b) Data Security**

The Designated Persons shall keep separate and secure all details, files, papers, electronic usages, gadgets etc. containing unpublished price sensitive information or confidential information in appropriate manner and shall not allow other Employees and persons to access the same, except on need to know basis.

**6. TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION.**

- 6.1** No insider shall trade in securities of the Company that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information. Where a person trades in securities, while having possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such unpublished price sensitive information in his possession.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) the transaction is an off-market inter-se transfer between Insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 of the Regulation and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation3 of PIT Regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two trading days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of PIT Regulations.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- (v) in the case of non-individual insiders: –
  - a. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
  - b. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (vi) the trades were pursuant to a trading plan set up as per Regulation 5 of the Regulation.

**6.2.** In the case of connected persons, the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on SEBI.

## **7. TRADING PLAN**

An insider shall be entitled, at his option, to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for his/her approval and public disclosure, pursuant to which trades may be carried out either by him/her and/or on his/her behalf in accordance with such plan.

### **7.1 Trading Plan shall:**

- (i) not entail commencement of trading on behalf of the insider earlier than 6 (six) months from the public disclosure of the plan;
- (ii) not entail overlap of any period for which another trading plan is already in existence;
- (iii) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be affected; and
- (iv) not entail trading in securities for market abuse.

**7.2** The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

- 7.3** Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further the trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.
- 7.4** The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
- 7.5** However, the implementation of the trading plan shall not commence, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available by the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement of the Plan be deferred until such unpublished price sensitive information becomes generally available information.
- 7.6** Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **8. TRADING WINDOW AND WINDOW CLOSURE**

### **8.1** "Trading period" shall mean

- (i) the trading period of the stock exchanges, called "trading window", is available for trading in the Company's securities.
- (ii) The Trading restriction period shall commence not later than end of every quarter and shall last till 48 hours after the declaration of financial results.
- (iii) When the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the Company's securities in such period.
- (iv) All Designated Persons and their immediate relatives shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

### **8.2** The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however, in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

### **8.3** A notional window shall be used as an instrument of monitoring trading by Designated Persons. The Compliance Officer should close trading window when he determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. During closure of notional window, Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.

**8.4** The gap between clearance of accounts by audit committee and board meeting shall be as narrow as possible and preferably on the same day to avoid leakage of material information

**8.5** The trading window restrictions shall not apply in respect of –

- (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of PIT Regulations.
- (b) a pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the SEBI from time to time;
- (c) transactions which are undertaken in accordance with respective regulations made by the SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the SEBI from time to time.

## **9. PRE-CLEARANCE OF TRADES**

**9.1** All Designated Persons, who intend to trade in the securities of the Company including trading in derivatives of securities of the company, when the trading window is open and the value of the proposed trades is above INR 10,00,000/- (Indian Rupees Ten Lakhs Only), per quarter (**market value**), should take pre-clearance for the proposed transaction(s) from the Compliance Officer.

**9.2** The pre-clearance procedure shall be hereunder:

- (i) An application should be made in the Form prescribed as **Annexure 1** to the compliance officer by designated person, who intends to Trade in securities of the Company including derivatives, for the threshold limit as specified in clause 9.1 above.
- (ii) An undertaking, as prescribed in **Annexure 1**, shall be executed in favour of the Company by such Designated person incorporating, *inter alia*, the following clauses, as may be applicable:
  - a) That the employee/director/officer/promoter does not have any access or has not received “Price Sensitive Information” up to the time of signing the undertaking.
  - b) That in case the Designated Person has access to or receives “Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from Trading in the securities of the Company till the time such information becomes public.
  - c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - d) That he/she has made a full and true disclosure in the matter.
- (iii) The Compliance Officer shall approve / reject pre-clearance application within 4 (four) working days.

- (iv) All Designated Persons shall execute their pre-cleared trades in respect of securities of the Company including trading in derivatives of securities of the company, within 7 (seven) trading days after the approval of pre-clearance is given.
- (v) The Designated Person shall, within 2 (two) trading days of the execution of the Trade, file the details of such trade with the Compliance Officer in the Form prescribed as **Annexure 2**.
- (vi) In case the transaction is not undertaken, the Designated Person shall file a report to that effect, in the Form prescribed as **Annexure 2**, within 2 (two) trading days of expiry of 7 (seven) trading days of receipt of pre-clearance approval from the compliance officer.
- (vii) If the trade is not executed within 7 (seven) trading days of receipt of pre-clearance approval, the pre-clearance shall stand cancelled and the designated person must take fresh pre-clearance approval for the transaction again.
- (viii) All Designated Persons, who are permitted to trade in securities of the Company and have traded in the securities of the Company either in cash / derivatives / any other permissible segment, shall not enter into a contra / opposite trade(s), to the said transaction, during the next 6 (six) months following the date of execution of the said transaction.
- (ix) In case of any contra / opposite trade is executed, inadvertently or otherwise, in violation of the PIT Regulation, the profits from such trade(s) shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act. This restriction shall not be applicable to allotment of shares pursuant to exercise of stock options vested into them.
- (x) The Compliance Officer may waive off the holding period after recording reasons for the same. However, no such Trade will be permitted when the Trading window is closed.

## **10. OTHER RESTRICTIONS**

- 10.1** The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 10.2** The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code. Provided that trading in derivative of securities should be permitted by any law for the time being in force.
- 10.3** The disclosures made under this Code shall be maintained for a period of eight years.

## **11. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES**

### **Initial Disclosure**

- 11.1** Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or member of the Promoter Group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter or member of the Promoter Group, to the Company within seven days of such appointment or becoming a promoter or member of the Promoter Group in the prescribed **Form A** attached.

### **Continual Disclosure**

- 11.2** Every promoter, member of the Promoter Group, Designated Person and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of INR 10,00,000/- (Indian Rupees Ten Lakhs Only), in the prescribed **Form B** attached.

The disclosure shall be made within 2 (two) trading days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

*Explanation:* — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this clause shall be made when the transactions effected after the prior disclosure cross the threshold limit specified under this clause.

- 11.3** Every Insider who enters into off market trades under Regulation 4 of SEBI (PIT) Regulations, 2015, shall disclose to the Company the details of such Trades within two trading days.
- 11.4** The Compliance Officer shall be authorized to obtain disclosures for reporting level of holdings in securities by Designated Persons or particular class of Designated Person at such intervals as may be determined as being necessary by him to monitor compliance with SEBI (PIT) Regulations, 2015.

## **12. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S)**

- 12.1** Within 2(two) trading days of the receipt of intimation under Clause 11.3 and 11.4 or from becoming aware of such information, the Compliance Officer shall disclose to all StockExchanges on which the Company is listed, the particulars of such trading by the Insider.

Further, pursuant to SEBI circular SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 09, 2020, SEBI has automated the disclosures required to be made to stock exchanges for trading in the securities by the designated persons. Thus, disclosure to stock exchanges for trading by designated persons whose names have mentioned in the depository is not required to be provided manually. However, the existing procedure shall continue without exemption for trading by other designated persons whose name is not mentioned in the SDD of depository and the immediate relatives of designated persons.

### **13. OTHER REPORTING REQUIREMENTS BY DESIGNATED PERSONS**

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier / identity document, authorized by law, of the following persons to the company on an annual basis and any change thereof:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

### **14. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING**

The Board of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements of PIT Regulations to prevent insider trading. The internal controls shall include the following:

- a. all employees who have access to unpublished price sensitive information are identified as designated employee;
- b. all the USPI shall be identified and its confidentiality shall be maintained as per the requirements of PIT Regulations;
- c. adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by PIT Regulations;
- d. lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e. periodic process reviews to evaluate effectiveness of such internal controls.

The Audit Committee of the Company shall review compliance with the provisions of PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

### **15. LEAK OF UPSI**

PIT Regulations mandates every Listed Company to formulate a Policy and Procedures for inquiry in case of leak of USPI or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the SEBI promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of the Company has adopted the Policy for inquiry in case of leak of UPSI, which is annexed herewith as **Annexure 3**.

### **16. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT**

- 16.1** Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her immediate relatives).
- 16.2** Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.



**16.3** Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, etc. Any amount collected by the Company for violation of the Code shall be remitted to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the SEBI Act.

**16.4** The action by the Company shall not preclude SEBI from taking any action in case of violation of PIT Regulations.

**16.5** The Company, in case of having observed about any violations of this Code or Regulations, shall promptly inform the Stock Exchanges where the securities are traded in such form and manner as may be specified by SEBI from time to time.

## **17. PROTECTION OF THE INFORMANT UNDER THE INSIDER TRADING REGULATIONS**

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019, the Company shall not discharge, terminate, demote, suspend or threaten directly or indirectly or discriminate against any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by SEBI, or he or she is eligible for a Reward under these regulations, by reason of:

(i) filing a Voluntary Information Disclosure Form; (ii) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or; (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent such employee from cooperating with SEBI in any manner.

*Explanation 1.* - For the purpose of this Clause, “employee” means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

*Explanation 2.* - Nothing in this Clause shall require the employee to establish that,

(i) the Board has taken up any enforcement action in furtherance of information provided by such person; or

(ii) the information provided fulfils the criteria of being considered as an Original Information under these regulations.

### Application cum Undertaking for Pre-clearance

Date:

To,  
The Compliance Officer,  
**Kalpataru Limited**  
Mumbai

**Subject: Application for Pre-dealing Clearance in securities of the Company**

Dear Sir / Madam,

With reference to Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of Kalpataru Projects International Limited (the Company), I \_\_\_\_\_, (Name of person) \_\_\_\_\_ (Designation & Dept.) of the Company / \_\_\_\_\_ (Name of the Company if not any employee / director / promoter of the Company), would like to purchase / sale \_\_\_\_\_ equity shares in cash / derivative segment of the Company as per details given below:

No.	Particulars	Details
1	No. of Securities held as on application date	
2	DP & Client ID / Folio No.	
3	No./Value of Securities proposed to purchase / sell	
4	In own name or in the name of the Relative or any other person	
5	Name and relationship of the Relative, in case proposed to buy / sell on behalf of Relative	

I hereby declare that I am not in possession of any UPSI.

In the event that I have access to or received any UPSI, after the signing of this application but before executing trade for which approval is sought, I shall inform the Compliance Officer about the same and shall completely refrain from dealing in the Securities until such UPSI becomes publicly available. Thereafter I will submit fresh application for executing a trade.

I also hereby declare that I have not contravened any provision of the Code of Conduct.

Further I undertake to submit report on trade within trading 2 days from date of execution of trade or submit a 'Nil' report if no trade was executed

After approval, I shall execute a trade within 7 trading days from of the receipt of approval trade failing which I shall seek pre-clearance again.

Yours faithfully,

Signature: \_\_\_\_\_  
(Name of Applicant)

**Reporting of Trade / Transaction**  
**(To be submitted within 2 days of transaction / dealing in securities of the Company)**

To,  
The Compliance Officer,  
**Kalpataru Limited**

Dear Sir / Madam,

According to approval of pre-clearance dated \_\_\_\_\_, I have executed a trade / transaction on \_\_\_\_\_ (date). The detail of said trade / transaction is as under:

Name of holder	No. of Securities purchased / sold	Average Gross Price per Securities (In Rs.)	Average Gross Price per Securities (In Rs.)	DP ID & Client ID / Folio No.

Further I enclose herewith copy of Contract Note for your ready reference.

I declare that the above information is correct and that no provision of the Code of Conduct has been violated while executing aforesaid trade / transaction.

I also declare that I have complied with the requirements of minimum period of 6 months for entering into an opposite transaction in respect of said Securities.

Or

According to approval of pre-clearance dated \_\_\_\_\_, I have not executed a trade / transaction due to \_\_\_\_\_ (reason of non-trading).

I will take fresh pre-clearance for trades as and when I propose to trade in Securities of the Company.

Signature: \_\_\_\_\_

Name:

Designation:

## Policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information

[Under Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

### Background

SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates every Listed Company to formulate written Policy and Procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

In this regard, the Board of the Company has laid down this Policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information (**'the Policy'**).

### I. Objectives

- 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 unauthorized person.
- iii) To initiate inquiry in case of leak or suspected leak of UPSI and inform the same to the StockExchanges, where the securities of the Company are listed, and SEBI promptly.
- iv) To penalize any person who appears to have found guilty of violating this Policy.

### II. Scope

The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. The Company strives to restrict and prohibit the practice of sharing of UPSI which originates from within the Company, by any Designated Person or any other known or unknown person(s) with any unauthorized person. This Policy contains procedures and practice to be followed by the Company for inquiry on becoming aware of leak of UPSI or suspected leak of UPSI.

### III. Applicability

This Policy shall be applicable with effect from the date of approval of the Policy by the Board.

### IV. Complaint and Investigation Procedure

Any person who intends to provide information about leak of UPSI or suspected leak of UPSI may write to Compliance Officer of the Company in one of the following ways:

- by writing a Letter in a sealed envelope marked **"Private and Confidential"** to Compliance Officer at Compliance Officer, Kalpataru Limited, 91, Kalpataru Synergy, Opposite Grand Hyatt, Santacruz (East), Mumbai - 400055, Maharashtra, India or by sending an email to [investor.cs@kalpataru.com](mailto:investor.cs@kalpataru.com).

In case of Complaint against the Compliance Officer, the information can be provided by sending a Letter in a sealed envelope marked **"Private and Confidential"** to the Managing Director at Managing Director, Kalpataru Limited, 91, Kalpataru Synergy, Opposite Grand Hyatt, Santacruz (East), Mumbai - 400055, Maharashtra, India.

The Person providing such information must mention his name and contact details as the follow up questions and inquiry may not be possible unless the source of the information is identified. Information which is provided anonymously will ordinarily NOT be investigated.

The Company and the Compliance Officer / Managing Director shall ensure that the identity of the person who provides information / tip off regarding leakage of UPSI is kept confidential and no adverse personnel actions shall be taken or recommended against him in retaliation to his providing of such information / tip off and all safeguards shall be available to him as are available to a Whistle Blower under the Whistle Blower Policy of the Company.

On becoming aware as above or on Suo moto basis or otherwise, of actual or suspected leak of UPSI by any Designated Person or any other known or unknown person, the Compliance Officer after informing the same to the Managing Director of the Company, shall follow the below mentioned procedure in order to inquire and/or investigate the matter.

**(a) Preliminary Inquiry:**

The Compliance Officer 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 proceed further in the Investigation and embark any disciplinary action.

The Compliance Officer in consultation with Managing Director shall appoint or authorize any person(s) / agency to initiate/conduct an enquiry to collect the relevant fact or material substances on actual or suspected leak of UPSI.

**(b) Report of Inquiry to Inquiry Committee:**

The Inquiry Committee shall consist of 3 members being the Managing Director, Chief Financial officer and Compliance Officer and the Compliance Officer or person(s) / agency appointed to inquire the matter of actual or suspected leak of UPSI shall submit the report to said Inquiry Committee within 15 days from the date of information / complaint or his / their appointment on this behalf respectively.

**(c) Disciplinary Action:**

In case if any violation is found, the concerned person shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, etc. as may be decided by the Inquiry Committee.

In case of suspected or actual leak by the Compliance Officer himself, the above inquiry procedure shall be carried out by Managing Director and in case of suspected or actual leak by any Director or Promoter of the Company, the above inquiry procedure shall be carried out by Compliance Officer in consultation with Chairman of Audit Committee and the Report of Inquiry shall be placed before the Audit Committee and Audit Committee shall take necessary disciplinary action as it may deem fit.

Further, if an inquiry has been initiated by the Company in case of leak of UPSI or suspected leak of UPSI, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry and the Compliance Officer shall be authorized to coordinate with them and collect necessary information and material required to conclude the investigation.

#### **V. Report of actual or suspected leak of UPSI to SEBI:**

After conducting Preliminary inquiry, if Compliance Officer or Managing Director as the case may be, is of the view that there is a prima facie case of suspected leak of UPSI, it shall inform to SEBI promptly and thereafter shall keep SEBI informed about inquiries and results of such inquiries on prompt basis.

#### **VI. Amendment**

In case of any amendment in the Regulations, direction or clarification by SEBI, provision of this Policy shall be read and implemented in context of such amended or clarified positions. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## **FORM A**

### **SEBI (Prohibition of Insider Trading) Regulations, 2015**

#### **[Regulation 7 (1) (b) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP /Directors/ immediate relatives/others etc.)	Securities held as on the date of regulation coming into force		% of Share holding	Open Interest of the Future contracts held as on the date of Regulation coming into force		Open Interest of the Option Contracts held as on the date of Regulation coming into force	
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6		7	

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name & Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

## **FORM A**

**SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on  
becoming a Key Managerial Personnel/Director/Promoter/Member of  
the promoter group]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director / OR Date of becoming Promoter/member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For e.g. Shares, Warrants, convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(l) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of KMP or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).**

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_



**FORM B****SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]**

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/member of the promoter group/designated person/Director/s/immediate relative to/others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed				Securities held Post-acquisition/ disposal		Date of allotment advice/ acquisition of shares/ disposal of shares, specify		Date of intimation to company	Mode of Acquisition /disposal (on market/public/rights/preferential offer/off market/Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of Securities (For e.g. Shares Warrants, Convertible Debentures Rights entitlements etc.)	No. and % of share holding	Type of securities (For e.g. Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase/sale Pledge /Revocation /Invocation/ Others-please specify)	Type of securities (For e.g. Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** (a) "Securities" shall have the meaning as defined under regulation 2(1)(I) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
(ii) Value of transaction excludes taxes/brokerage/any other charges

Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place: