



**KALPATARU LIMITED**

**Code of Practices and Procedures for Fair Disclosure of  
Unpublished Price Sensitive Information**

## **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

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## INTRODUCTION

With a view to govern conduct of insiders relating to trading in securities, the Securities and Exchange Board of India ("**SEBI**") had formulated SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**"), as amended time to time, under power conferred to on it under the SEBI Act, 1992.

In terms of Regulation 8 of PIT Regulations, a listed company is required to frame and publish on its website a "Code of Practices and Procedures for Fair disclosures of Unpublished Price Sensitive Information" as per principles prescribed in Schedule A of the said Regulations.

Accordingly, in compliance with the said Regulations, Kalpataru Limited ("**the Company**") has adopted this Code. The Company endeavors to ensure timely and adequate disclosure of price sensitive information.

## INTERPRETATION

Words and expressions used in this Code shall have the same meaning as contained in the PIT Regulations, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), Securities and Exchange Board of India Act, 1992 ("**Act**"), the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"), the Depositories Act, 1996 or the Companies Act, 2013 or any other relevant legislation/law applicable to the Company and the rules and regulations made thereunder, as amended from time to time.

## PRINCIPLES OF FAIR DISCLOSURE CODE

1. The Company shall make timely and adequate public disclosure of all credible and concrete UPSI no sooner than such information comes into being and disseminate the same promptly in accordance with the requirements of applicable law.
2. The Company shall disseminate UPSI uniformly and universally to avoid selective disclosure.
3. The senior officer as may be reporting to Managing Director, who will act as a Chief Investor Relations Officer to deal with the dissemination of information and disclosure of UPSI.
4. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively inadvertently or otherwise, to make such information generally available.
5. The Company shall give appropriate, fair and prompt response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
7. The Company shall make transcripts or records of proceedings of meeting with analysts and other investor relations conferences on the official website.
8. The Company shall ensure that UPSI shall be handled on a need-to-know basis, that is, UPSI shall be disclosed to those who need the same to discharge of their official duties or legal obligations.

## LEGITIMATE PURPOSE

The UPSI can be shared as an exception by an Insider for legitimate purpose as per policy for determination of Legitimate Purpose as given in '**Annexure A**'.

#### **CLARIFICATIONS, AMENDMENTS ETC.**

This Code may be reviewed, amended or substituted by the Board as it thinks fit. In the event of any conflict between the provisions of this Code and of the SEBI PIT Regulations or any other statutory enactments, rules, the provisions of SEBI PIT Regulations or statutory enactments, rules shall prevail over this Code. Any subsequent amendment / modification in the Act, SEBI PIT Regulations and/or applicable laws in this regard shall automatically apply to this Code.

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**POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES****Objective**

The objective of this Policy is to provide Guidance for identification of “**Legitimate Purposes**” for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring or providing of UPSI.

Further, SEBI PIT Regulations provide that no insider shall communicate, provide or allow access to any UPSI, or no person shall procure or cause communication by any insider of UPSI 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. Inducement and procurement of UPSI not in furtherance of one’s legitimate duties and discharge of obligations would be illegal.

**Legitimate purpose**

“**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.

**Insider**

Any person who is in receipt of UPSI pursuant to a “**legitimate purpose**” shall be considered an “insider” and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company Code in this regards.

The UPSI shall be shared by concerned person(s) only in furtherance of legitimate purpose(s) which shall include the following;

- (i) Sharing of UPSI 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.
- (ii) Sharing of UPSI where such communication is in furtherance of performance of duty (ies).
- (iii) Sharing of UPSI for discharge of legal obligation(s).
- (iv) Arising out of any contractual obligations or arrangements entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.
- (v) Sharing of UPSI for any other purpose as may be prescribed under the Regulations or any other law for the time being in force, in this behalf, as may be amended from time to time.

An action shall not be considered to be undertaken for a “legitimate purpose” if such action leads to “market abuse” and result into personal benefit of any Insider.

### **Structural Digital Database**

The Board of Directors of the Company is required to ensure that a structured digital database is maintained containing the nature of UPSI, 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 ("**PAN**") or any other identifier authorized by law, where PAN 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- tamper-ability of the database.

Accordingly, the Senior Management Personnel of the Company shall consult Compliance Officer of the Company to ascertain whether any UPSI can be shared for legitimate purpose to any external party in case if any confusion persists. The respective Senior Management Personnel of the Company shall be responsible for providing information to Compliance Officer about such persons or entities with which UPSI is shared for legitimate purpose with respect to his Department and Business Unit. The Compliance Officer thereafter shall maintain the required structured digital database. Further the Compliance Officer shall provide notice to such persons or entities to maintain confidentiality of UPSI.

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