



**KALPA-TARU<sup>®</sup>**

**KALPATARU LIMITED**

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Unpublished Price Sensitive Information**

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## Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information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 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company is required to frame and publish on its website a "Code of Practices and Procedures for Fair disclosures of Unpublished Price Sensitive Information" as per principles prescribed in Schedule A of the said Regulations.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 Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
4. The Company shall give appropriate, fair and prompt response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
6. The Company shall make transcripts or records of proceedings of meeting with analysts and other investor relations conferences on the official website.
7. 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.

## **OVERSEEING AND CO-ORDINATING DISCLOSURE**

1. The Board of Directors shall designate a senior officer as a Chief Investor Relations Officer ("**CIRO**") who will be reporting to Chief Financial Officer or Managing Director of the Company to deal with dissemination and disclosure of UPSI.
2. The CIRO would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant to this Code as required under the Insider Trading Regulations so as to avoid selective disclosure.

3. The CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of UPSI to Stock Exchange(s), analysts, shareholders and media.
4. Disclosure/dissemination of UPSI may normally be approved in advance by CIRO. In case of doubt, the CIRO shall consult and seek approval of the Managing Director / Executive Director(s) / the Chief Financial Officer of the Company / before dissemination of such information
5. If UPSI is accidentally disclosed without prior approval of CIRO, the person responsible shall inform the CIRO immediately. The CIRO will then promptly disseminate the information so as to make such information generally available.

### **RESPONDING TO MARKET RUMOURS**

The CIRO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, if required. He may consult the Chairman/Managing Director/Chief Financial Officer/Compliance Officer and thereafter make appropriate disclosures.

### **DISCLOSURE/DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, RESEARCH PERSONNEL, INSTITUTIONAL INVESTORS**

No person, except those authorised by the CIRO, shall disclose any information relating to the Company's Securities to analysts, research personnel and institutional investors.

All Directors and Employees of the Company should follow the guidelines given hereunder while dealing with analysts, research personnel and institutional investors:

#### **1. Only Public information to be provided**

The Company shall provide only public information to the analyst/research personnel/large investors like institutions. The CIRO shall ensure that information shared with them is not UPSI. The information given to the analyst should be made public at the earliest.

#### **2. Recording of discussion and Simultaneous release of Information**

In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives be present at meetings with analysts, brokers or institutional investors and discussions should preferably be recorded.

When a Company organises meetings with analysts and other investor relations conferences, the CIRO will ensure that the transcripts or records of proceedings of meetings with analysts and other investor relations conferences are posted on the official website of the Company, to ensure official confirmation and documentation of disclosures made.

#### **3. Handling of unanticipated questions**

The Company should be careful when dealing with Analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be noted and a considered response given later. If the answer includes price sensitive information, then it should be made generally available before responding.

**MEDIUM OF DISCLOSURE/DISSEMINATION**

1. The Company shall ensure that disclosure to Stock Exchange(s) where Company’s Securities are listed is made promptly.
2. Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
3. The Company may also facilitate disclosure through the use of its official website.
4. The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the Company website

**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. The Company will also promptly intimate any amendment to this Code to the Stock Exchanges(s), as required under the SEBI Insider Trading Regulations. This Code shall be published on the Official Website of the Company.

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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.

Provided that entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information.

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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