

# SHRI KALYAN HOLDINGS LIMITED

## CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

[Under Regulation 9(1) of Securities and Exchange Board of India  
(Prohibition of Insider Trading) Regulations, 2015]

### 1. INTRODUCTION:

The Securities and Exchange Board of India ("SEBI") has, in order to protect the interests of investors in general and to put in place a framework for prohibition of insider trading in securities of the Company and to strengthen the legal framework thereof, has issued the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**the PIT Regulations**") pursuant to the powers conferred on it under section 30 of the Securities and Exchange Board of India Act, 1992 ("SEBI Act"). The Regulations has come into force with effect from 15<sup>th</sup> May 2015 and the same are applicable to all companies whose shares are listed on any recognized stock exchange.

The PIT Regulations provides that every listed company shall frame Code of Conduct, to regulate, monitor and report trading by Insiders, towards achieving compliance with the Regulations.

This document embodies the Code of Conduct for regulating, monitoring and reporting of trades by insiders, as provided for under the Regulation 9 of the PIT Regulations.

Further, in accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018 notified on December 31, 2018 and subsequent amendment to the Regulations notified on January 21, 2019 every listed is required to revise the Code of Conduct for regulating, monitoring and reporting of trades by insiders. Accordingly, the Board of Directors approved this new Code of Conduct on December 13, 2019. This revised Code will be applicable from December 13, 2019 and existing Code will be applicable upto December 12, 2019.

### 2. PURPOSE AND APPLICABILITY

The Company endeavors to preserve the confidentiality and prevent the misuse of un-published price sensitive information (UPSI). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every director, officer, Designated Person of the Company has a duty to safeguard the confidentiality of all such information which he/ she obtain in the course of performance of official duties. Directors, officers and Designated Person of the Company should not use their position to gain personal benefit.

This Code is applicable to the following persons:

- a) Directors
- b) Designated Persons
- c) Promoters including member(s) of Promoter group
- d) Connected Person as defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as per clause 3.8 of the this Code of Conduct
- a) Concerned Advisers/Consultants/Retainers of the Company

### 3. IMPORTANT DEFINITIONS

In this Code, unless the context otherwise requires, the following words, expression and derivations there from shall have the meanings assigned to them, as under:

**3.1 "Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992), as amended.

**3.2 "Board"** means the Securities and Exchange Board of India.

- 3.3 "Code"** means the Code of Conduct for Prohibition of Insider Trading of Shri Kalyan Holdings Limited as notified hereunder, including any modifications/amendments made thereto from time to time.
- 3.4 "Company"** means Shri Kalyan Holdings Limited
- 3.5 "Companies Act"** means the Companies Act, 2013 and the Rules made there under and shall include any modifications or amendments thereto from time to time.
- 3.6 "Compliance Officer"** means Company Secretary of the Company or in absence of Company Secretary, any senior officer designated so or in absence of both, the Executive Director or such other senior officer, who is financially literate and is capable of appreciating requirements of legal and regulatory compliance under these regulations and who shall be responsible for compliances 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 this code of conduct and Compliance officer shall function and carry out his responsibilities under the overall supervision of the Board of Directors of the Company.

Explanation – For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flow etc.

- 3.7 "Concerned Adviser / Consultants / Retainers"** of the Company means such Advisers or Consultants or Retainers or Professionals who in the opinion of the Company may have access to unpublished price sensitive information.

- 3.8 "Connected Person"** means:

- 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 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 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 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; or
  - h) an official or an employee of a self-regulatory organization recognized 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

**NOTE:** It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

**3.9 "Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

**3.10 "Designated Persons"** includes:

- i) Directors of the Company
- ii) Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS);
- iii) All employees of Manager cadre and above in Finance, Accounts and Secretarial Department;
- iv) All employees of General Manager cadre and above in all other Departments of the Company;
- v) Such other employees as may be determined by the Company from time-to-time.

**3.11 "Director"** means Director appointed on the Board of the Company.

**3.12 Employee"** means every employee of the Company including the Directors in the employment of the Company.

**3.13 "Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis.

**Note:** Information published on the website of a stock exchanges, would ordinarily be considered generally available.

**3.14 "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.

**Note:** It is intended that the immediate relatives of a "connected person" too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.

**3.15 "Insider"** means any person who is:

- vi) A connected person
- vii) In possession of or having access to unpublished price sensitive information.
- viii) Any person who is in receipt of unpublished price sensitive information for legitimate purpose

**Note:** Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access

to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

- 3.16 "Key Managerial Personnel"** means person as defined in Section 2(51) of the Companies Act.
- 3.17 "Legitimate purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other adviser(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- 3.18 "Need to Know"** basis means that unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to any conflict of interest or appearance of misuse of information.
- 3.19 "Promoter" and "Promoter Group"** shall have same meaning assigned to it under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof.
- 3.20 "Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof for the time being in force, except units of a mutual fund.
- 3.21 "Specified"** means specified by the Board in writing;
- 3.22 "Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 3.23 "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.

- 3.24 "Trading day"** means a day on which the recognized stock exchanges are open for trading;
- 3.25 "Trading Window"** shall refer to specified period during which the trading in securities of the Company is permitted. During the closure of Trading Window, trading in Company's securities is prohibited for designated persons and is restricted for other employees.
- 3.26 "Unpublished Price Sensitive Information"** 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 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; and

**Note:** It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

Words and expressions used and not defined in this code but defined in Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

#### **4. THE ESSENCE OF THE PIT REGULATIONS AND THIS CODE**

**The PIT Regulations and this Code, inter alia prohibit an insider:**

From communicating, providing, or allowing access to any Unpublished Price Sensitive Information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except as provided under Regulations 3(3) of the PIT Regulations. As per the PIT Regulations, Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with transaction that would:

- a) Entail an obligation to make an open offer under the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 where the Board of Directors of the listed Company is of informed opinion that the sharing of such information is in the best interest of the Company.
- b) Not attract the obligation to make an open offer but where the Board of Directors of the listed Company is of informed opinion that the sharing of such information is in the best interests of the Company and the Unpublished Price Sensitive Information is disseminated to be made generally available at least 2 trading days prior to the proposed transaction being affected.

This prohibition does not apply where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligation.

#### **5. DEALING IN SECURITIES BY DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES**

In addition to the prohibitions on insider described in Clause 4 above, this Code imposes certain additional responsibilities and restrictions on Designated Persons.

**5.1** Designated persons shall disclose names and PAN or other identifier authorized by law as on March 31 of each year, before April 15 of that year, of the following persons in the format annexed as **Annexure "4"** on annual basis and as and when the information changes;

- i) Designated person him/herself
- ii) Immediate relatives of designated person
- iii) Persons with whom such designated person(s) has a material financial relationship
- iv) Phone/cell numbers which are used by them

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

**Explanation:** The term "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 during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

## 5.2 Special Responsibilities and Restrictions on Designated Persons

The special responsibilities and restrictions imposed on Designated Persons are:

- i) Furnish Initial Disclosure about the number of securities of the Company held by him/her and his / her immediate relatives, within 2 working days of implementation of this code or within 2 working days of joining the Company or becoming designated person.
- ii) Obtain prior clearances of the Compliance Officer before dealing in securities exceeding such threshold limit as may be notified from time to time (refer to Clause 6.5 of this Code)
- iii) Not to deal in securities, during certain closed periods as may be notified generally or from time to time. (refer to Clause 6.6 of this Code)
- iv) Preserve Unpublished Price Sensitive Information.(refer to Clause 6.1 of this Code)
- v) Designated persons shall not communicate, provide or allow access to any unpublished price sensitive information, relating to the Company or Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligation.
- vi) Not to pass on any Price Sensitive Information to any person (including but not limited to his or her family members, friends, business associates etc.) directly or indirectly by way of making recommendation for trading in Company's securities.
- vii) Not to communicate Price Sensitive Information in situation in which there would be an uncertainty as regards conflict of interest or the possibility of misuse of the information.
- viii) Not to discuss or disclose Price Sensitive Information in public places.
- ix) Not to disclose Price Sensitive Information to any Employee who does not need to know the information for discharging his or her duties or responsibilities.
- x) Not to apply for pre-clearance and trade plan when in possession of Unpublished Price Sensitive Information even though the closed period is not notified till such time the Unpublished Price Sensitive Information becomes generally available.
- xi) Not to execute contra trade within a period of 6 months from the date of last transaction either by self or through immediate relatives. Provided that this restriction shall not be applicable for trades pursuant to exercise of stock options.

If the opposite transactions are executed in violation of this provision, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

Such persons may however apply to the Compliance Officer in for waiver of the restriction on contra trade, if there is a need to sell the said securities due to personal emergency.

Every Designated Person is required to maintain strict confidentiality of all Unpublished Price Sensitive Information and prohibited from passing on such information to any person directly or indirectly. Attention is specifically drawn to Regulation 3(1) of the PIT Regulations, which prohibits an insider to communicate, provide, or allow access to any Unpublished Price Sensitive Information relating to the Company or its securities listed or proposed to be listed. All data, documents, information, forms, records, files (physical as well as soft files) are required to be kept secure and confidential by all the Designated persons. All information within the organization shall be handled on need to know basis.

When a person who has traded in securities has been in possession of unpublished price sensitive information, his/her trade would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

## 6. PREVENTION OF MISUSE OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"

### 6.1 Preservation of "Price Sensitive Information"

The Directors, Designated Employees, Connected Person and concerned Advisers or Consultants or Retainers of the Company shall maintain the confidentiality of all price sensitive information and shall not communicate any Unpublished Price Sensitive Information to any person except on 'need to know basis' – i.e. that Unpublished price Sensitive Information should be disclosed only to those persons within the Company or persons connected with the Company who need

the Information to discharge their duty or legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. The Directors, Designated Employees, Connected Person and concerned Advisers or Consultants or Retainers of the Company shall not pass on any Price Sensitive Information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

## **6.2 Limited access to confidential information**

The Directors, Designated Persons, Connected Persons and concerned Advisers or Consultants or Retainers of the Company shall keep the files containing confidential Price Sensitive Information duly secured and computer files must be kept with adequate security of login and password, etc.

## **6.3 Receipt of UPSI for legitimate purpose**

Receipt of Unpublished Price Sensitive Information for legitimate purpose shall be considered as insider for the purpose of this code. Accordingly, the person who shares UPSI shall give proper notice to the recipient of UPSI to maintain confidentiality of such UPSI in compliance with PIT regulations.

### **Policy for determination of "Legitimate Purposes"**

In line with clause 2A of Regulation 3 of Regulations and any modification(s) / amendment(s) thereto, Policy for determination of legitimate purposes is as under:

a. "Legitimate purpose" shall mean Sharing of unpublished price sensitive information in the course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

b. No insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to securities of the Company or securities proposed to be listed by the Company, to any person including other insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

c. No person shall procure from or cause the communication by any insider of Unpublished Price Sensitive Information, relating to securities of the Company or securities proposed to be listed by the Company, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

d. Any person in receipt of Unpublished Price Sensitive Information pursuant to Legitimate Purpose shall be considered an insider for the purpose of this Code and due notice shall be given to such persons to maintain confidentiality of Unpublished Price Sensitive Information in compliance with the Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him, in compliance with the Regulations.

e. Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion acquisition in the stake of other entities, change in KMP's, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

g. Trading by insiders including promoters, non-individual insiders when in possession of Unpublished Price Sensitive Information shall be governed by Regulation 4 of the Regulations.

## **6.4 Trading Plans**

**6.4.1** The PIT Regulations entitles the Insider to formulate a trading plan. If any insider / Designated persons wish to formulate trading plan for trading in securities of the Company, he may do so and present it to the Compliance officer. Trading Plan is optional; however, if any insider opts for Trading Plan, the same need to be as per strict provisions of the Regulation 5 of the Regulations. Trading Plan need to be approved by the Compliance Officer and disclosed to the Stock Exchange. Once Trading Plan approved, it becomes irrevocable.

The trading plan shall:

- i) not entail commencement of trading on behalf of the insider earlier than six (6) months from the public disclosure of the plan
- ii) not entail trading for the period between the 20th trading day prior to the last day of any financial period, for which results are required to be announced by the Company and the second trading day after such financial results.
- iii) not be entail trading for a period of not less than 12 months.
- iv) not entail overlap of any period for which another trading plan is already in existence.
- v) 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 effected
- vi) not entail trading in securities for market abuse.

**6.4.2** The Compliance Officer shall review the trading plan to assess whether the plan has the potential for violation of the 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.

**6.4.3** It is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. It is further clarified that trading window norms and restrictions on a contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

**6.4.4** 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.

**6.4.5** However, the insider shall not commence trading under trading plan if any Unpublished Price Sensitive Information in his possession at the time of formulation of the plan has not become generally available information at the time of commencement of the plan. In such cases, the Compliance Officer shall confirm its commencement ought to be deferred.

**6.4.6** Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

## **6.5 PRE-CLEARANCE OF TRADES**

**6.5.1** Every Designated Person who intends to Trade in the Securities of the Company of a consideration price exceeding Rs. 5 Lakh or 1% of the paid up share capital of the Company or 50,000 shares whichever is less for the Securities of the Company should obtain a prior approval for the transactions as per the procedure described hereunder. This is a mandatory requirement even when the Trading Window is open. A Designated Person shall apply for pre-clearance only if he/she intends to trade beyond the threshold limits mentioned above. The compliance officer is authorized to change the aforesaid limit from time to time.



- 6.5.2** Designated Person who proposes to execute trade in Securities of the Company shall submit an application duly filled and signed to the Compliance Officer. The format of application is annexed as **Annexure "1"**
- 6.5.3** Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 6.5.4** The Compliance Officer shall convey his decision to the Designated Person within 7 Trading Days of receipt of the application. If the Compliance Officer does not respond within 7 Trading days, it shall be deemed to be a rejection of the application.
- 6.5.5** Every such approval shall be issued in the form specified in **Annexure "2"** hereto. Within seven trading days, trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance in **Annexure "1"** would be needed for the trades to be executed.
- 6.5.6** Designated Person shall execute pre-cleared trade within seven trading days from approval of pre-clearance trade and shall report his trade details to Compliance Officer in **Annexure "3"** within 2 trading days from the trade. In case non-trading, Designated Person shall report his decision of non-trading along with reasons to Compliance Officer in **Annexure "3"**
- 6.5.7** In the event of absence of the Compliance Officer, the Board may delegate performance of the duties and responsibilities referred to in this paragraph to any head of department of the Company

Any violation of this declaration and undertaking is liable to attract the serious consequences of default specified in Clause 11 of this Code.

## **6.6 TRADING WINDOW AND PROHIBITION ON DEALING DURING WINDOW CLOSURE**

- 6.6.1** The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities. When the Trading Window is closed, all Designated Persons (including their immediate relatives) and all promoters including member of promoter group shall not trade in the Company's securities in such period.
- 6.6.2** The Trading Window shall be, inter alia, closed:
- i) From the date of announcement of Board Meeting for declaration of financial results;
  - ii) From the date of announcement of Board Meeting for declaration of dividends;
  - iii) From the date of announcement of Board Meeting held to approve change in capital structure or further issuance of securities by way of public/right/bonus, etc.;
  - iv) From the date of announcement of Board Meeting held to approve mergers, demergers, takeovers, acquisitions, buy of business and such other transactions;
  - v) From the date of announcement of Change(s) in KMP;
  - vi) For such other period and for any such other event as and when the Compliance officer determines that designated persons or class of designated persons can reasonably be expected to have unpublished price sensitive information and as may be deemed fit by the Compliance Officer.
- 6.6.3** The time for re-opening of Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation

by the market, which in any event shall not be earlier than 48 hours after the information referred to in clause 6.6.2 becomes public/ generally available.

**6.6.4** The trading/dealings in Company's securities by all Designated Persons (including their immediate relatives) shall be conducted during the period when the trading window is open subject to pre-clearance by Compliance Officer as referred under Clause 6.5 of this Code, or as per approved trading plan and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when Trading Window is closed, or during any other period as may be specified by the Compliance Officer from time to time.

## **7. DISCLOSURE OF INTEREST AND DECLARATION BY DESIGNATED PERSONS**

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.

- (a) 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.
- (b) The disclosures made under this Code shall be maintained for a period of minimum five years

### **7.1 Initial Disclosure**

Every Promoter including member of promoter group, designated person, KMP and director is required to disclose details of securities and derivative positions in securities held by him/her or immediate relatives in **Form "A"** to the Company within 30 days of these regulations taking effect i.e. 15<sup>th</sup> May, 2015

Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group is required to disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter in **Form "B"**.

### **7.2 Continual Disclosure**

Every promoter including 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 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 ten lakh rupees or such other value as may be specified, in **Form "C"** as enclosed.

The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

### **7.3 Disclosures by other Connected Persons**

The company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in **Form "D"** and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

## **8. MAINTENANCE OF STRUCTURED DIGITAL DATABASE**

- 8.1** The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this code read with PIT Regulations, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.
- 8.2** The said digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

## **9. MECHANISM FOR PREVENTION OF INSIDER TRADING**

The Company has adopted system of internal controls which mainly consist of the following, to prevent dealing in securities by insiders with misuse of unpublished price sensitive information

- 9.1** All employees who have access to unpublished price sensitive information are identified as designated employee
- 9.2** All unpublished price sensitive information shall be identified and its confidentiality shall be maintained by designated employee and others who have knowledge of unpublished price sensitive information.
- 9.3** Adequate restriction shall be placed on procurement, communication and sharing of unpublished price sensitive information by designated employee and others who have knowledge of unpublished price sensitive information.
- 9.4** List of employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreement shall be executed or notice shall be served to all such employees and persons
- 9.5** Audit Committee shall review once in a financial year, the process to evaluate effectiveness of the above said internal controls and shall verify that the system for internal control are adequate and are operating effectively.
- 9.6** Audit committee shall review at least once in a financial year, compliance with this code read with PIT Regulations.

### **RESTRICTION ON COMMUNICATIONS AND TRADING BY INSIDERS**

Communication or procurement of Unpublished Price Sensitive Information.

a. Notwithstanding anything contained in this Code, an Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would

i. 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;

ii. 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.

b. For the purpose of clause D.1.a. above, the Board of Directors 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 purpose of D.1.a. above, and shall not otherwise trade in securities of the Company when in possession of Unpublished Price Sensitive Information.

## **10. DEALING IN CASE OF SUSPECTED LEAK OR LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

### **10.1 Inquiry for Leakage of UPSI**

All UPSI shall be handled on a need to know basis only. In case of any UPSI is proposed to be provided, the person proposing to provide the information shall consult Chief Financial Officer / Company Secretary / Chairman and Managing Director in advance.

In case any UPSI is leaked or is suspected to be leaked by any insider, Compliance Officer/ Chief Financial Officer will investigate the matter and collect / gather the evidences and will report to the Chairman of the Audit Committee. The Chairman of the Audit Committee will thereafter convene meeting of Audit Committee depending on severity of the matter.

### **10.2 Process for inquiry**

All the matters concerning leak of UPSI or suspected leak of UPSI, will be thoroughly investigated by Compliance Officer/Chief Financial Officer. Compliance Officer/Chief Financial Officer may at their discretion, consider involving external investigators for the purpose of the investigation.

The Compliance Officer/Chief Financial Officer may ask the concerned insider to remain present for investigation, discussion etc. and may ask for personal bank account statement or such other details or documents as it deems fit.

### **10.3 Powers of Compliance Officer/Chief Financial Officer**

The powers of Compliance Officer/Chief Financial Officer for inquiry under this clause are as under.

- To investigate the matter
- To ask concerned insider for personal presence, examination, cross examination etc
- To call for personal information/documents from insider
- To file complaint, if required, before police authority / Designated cell under Information Technology Act, 2000
- To retain the documents gathered during investigation
- To report to Audit Committee

### **10.4 Report to Audit Committee for appropriate action**

The Compliance Officer/Chief Financial Officer will report to the Chairman of the Audit Committee and upon receipt of report by the Chairman, he will convene meeting of the Audit Committee, depending on severity of the matter. The Audit Committee based on such report decide the suitable action including but not limited to withholding of salary / termination of employment / monetary penalty.

## **11. CONSEQUENCES OF DEFAULT / PENALTIES FOR CONTRAVENTION**

- (a) Every Designated Person shall comply with, and cause his Dependant to comply with, the provisions of this Code. (Including to the extent of provision hereof are applicable to his /her dependents).
- (b) The Designated person, who violates this Code shall, in addition to any other penal action that may be taken by the Company pursuant to the law, also be subject to disciplinary action including termination of employment, suspension, wage freeze, non-participation in future employee stock option or any other appropriate action as may be imposed by the Audit Committee / Board.
- (c) The action taken by the Company against any Designated Person pursuant to subparagraph above shall not preclude SEBI from taking any action for violation of this Code.

- (d) In case it is observed by the Compliance Officer that there has been a violation of this Code by any Designated Person, the Compliance Officer shall forthwith inform the Board about the violation. The Compliance Officer shall also simultaneously inform SEBI about such violation.

## **12. ROLE OF COMPLIANCE OFFICER IN PREVENTION OF INSIDER TRADING.**

- (a) The Compliance Officer shall make best endeavors to ensure compliance with, and effective implementation of, the Regulations and the Code by Specified Persons.
- (b) The Compliance Officer shall report on insider trading to the Board and in particular, shall provide report to the Chairman of the Audit Committee or to the Chairman of the Board, at such frequency, as may be stipulated by the Board. Further, the Compliance Officer shall, at all times, abide by any directions and instructions that may be issued by the Board.
- (c) The Compliance Officer shall be responsible for:
- i) setting forth policies in consultation with the Chairman/ Managing Director;
  - ii) prescribing procedures in connection with the Code;
  - iii) monitoring adherence to the rules specified in the Code for the preservation of Unpublished Price Sensitive Information;
  - iv) pre-clearing approvals, either directly or through heads of various departments as decided by the Board, to dealings in the Company's Securities by the Designated Persons and Dependent and monitoring of such dealings;
  - v) implementation of this Code under the overall supervision of the Board.
- (d) The Compliance Officer shall maintain a record of all the Designated Persons and also changes to the list from time to time.
- (e) 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 responsible for the approval and monitoring the implementation of Trading Plans. The Compliance Officer shall also be responsible for notifying the Trading Plans to the stock exchanges on which Securities are listed.
- (f) The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and this Code.

## **13. DISCLAIMER**

The Code is the internal policy of the Company to prevent Designated Persons and Connected Persons who are considered by the Company to be Insiders for the purposes of this Code and the Regulations, for prevention of insider trading. It is however the responsibility of each Designated Person and Connected Person to ensure compliance with the provisions of this Code or the Regulations and other related laws. The Company shall not be responsible or liable for any violation or contravention by any Designated Person or Connected Person, of this Code and the Regulations or other related laws.

**Annexure "1"**

**Application cum Undertaking for Pre-clearance**

To,  
The Compliance Officer,  
Shri Kalyan Holdings Limited,  
Jaipur

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

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

Dear Sir/Madam,

With reference to the Code of Conduct for Prohibition of Insider Trading, I \_\_\_\_\_,  
\_\_\_\_\_ (Designation & Dept.) of the Company, would like to purchase / sale \_\_\_\_\_ equity  
shares of the Company as per details given below:

Sr. No.	Particulars	
1	No. of Securities held as on application date	
2	DP & Client ID / Folio No.	
3	No./Value of Securities to be purchased / sold	
4	Name of person who proposed to trade	

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 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 Designated Person)

**Annexure "2"**

**Approval / Rejection of Pre- Clearance  
(On letter head of the Company)**

To,  
Name:  
Designation:

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

Dear Sir / Madam,

With reference to your Application cum Undertaking for Pre-clearance dated \_\_\_\_\_, we would like to inform you that your application to purchase / sale \_\_\_\_\_ equity shares of the Company is hereby approved / rejected. Now, you can execute your trade within 7 trading days i.e. \_\_\_\_\_. Further, you are required to submit a report your trade details within two trading days from trade. Or In case, no trade was executed, you are required to submit a 'Nil' report.

In case, you do not execute a trade before \_\_\_\_\_, you shall submit a fresh preclearance application before executing any transaction in the Securities of the Company.

Thanking you,  
Yours faithfully,

For Shri Kalyan Holdings Limited

**Compliance Officer**

**Annexure "3"**

**Reporting of Trade / Transaction**

To,  
The Compliance Officer,  
Shri Kalyan Holdings Limited,  
Jaipur.

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

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

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 transactions 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: \_\_\_\_\_



## Annexure "4"

### Annual Disclosure of Securities and PAN held by Promoter, Key Managerial Personnel, Director and Designated Persons and Immediate Relatives

From  
Name: -  
Director / Designated employee:  
Designation: -  
DIN/ Employee's Code: -  
PAN  
Address:

To,  
The Compliance Officer,  
Shri Kalyan Holdings Limited,  
Jaipur.

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

Dear Sir / Madam,

With reference to above, I wish to inform you that I alongwith my immediate relatives are holding equity shares/ other Securities of the Company as follows:

I. Details of holdings in my name:

Name	No. of Securities held on 01.04.____	No. of Securities bought during the year	No. of Securities sold during the year	No. of Securities held on 31.03.____	Folio No./ DP ID/ Client ID

II. Details of holdings held by my immediate relatives

Name of Relative and PAN	Relationship	No. of Securities held on 01.04.____	No. of Securities bought during the year	No. of Securities sold during the year	No. of Securities held on 31.03.____	Folio No./ DP ID/ Client ID

\*Following are the details of education and past employers:

Sr.	Name of Designated Person/Immediate Relative	Educational Institution	Educational Qualification	Past Employers

I hereby declare that the above details are complete and correct. I further declare that I have complied with the provisions of Code. I am fully aware about consequences in case of any non-compliance by me and shall be responsible for any action/inaction.

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

Name: \_\_\_\_\_

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

\* The names of educational institutions from which designated persons have graduated and names of their past employers shall be disclosed on a one time basis.