

Code of Practices and Procedures for Fair Disclosure Of Unpublished Price Sensitive Information and enquiry in case of leak Unpublished Price Sensitive Information

PREAMBLE

The Securities and Exchange Board of India had promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “**Regulations**”) on January 15, 2015. As per Regulation 8 read with Schedule A of the Regulations, every listed company is required to frame a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and enquiry in case of unpublished price sensitive information** (hereinafter referred to as the ‘**Code**’) in order to disseminate ‘Unpublished Price Sensitive Information’ (hereinafter referred to as ‘**UPSI**’) universally and not selectively by such companies. This Policy is intended to lay down the principles and practices to be followed by Kanchi Karpooram Limited (KKL) pertaining to universal disclosure of UPSI.

The Company intends to follow best practices, duly compliant with Applicable Law, in the matter of disclosure of UPSI. Accordingly, the following Code was adopted by the Board of Directors of the Kanchi Karpooram Limited (hereinafter referred to as ‘**Company**’).

I. Applicability

This Code shall apply in relation to disclosure by the Company of UPSI. The scope, exceptions as given in Applicable Law shall be applicable for the purpose of this Code as well.

II. Definitions

“**Applicable Law**” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statute, law, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.

‘**Audit Committee**’ shall mean Committee of the Board of the Company constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

‘**Board**’ shall mean the Board of Directors of KKL

“**Connected Person**” shall mean such persons as defined under the Regulations.

“**Compliance Officer**” means Company Secretary or such senior officer of the Company appointed by the Board of directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

The name and designation of such officer shall be published on the website of the Company.

“Generally available information” means information that is accessible to the public on a non-discriminatory basis.

“Insider” means any person who is a connected person or in possession of or having access to UPSI;

‘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 other than a person(s) authorized by the Board or Compliance Officer by following under this policy, 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.

“Selected Group of Persons” includes securities analysts or selected institutional investors, brokers and dealers or their associated persons, investment advisers and institutional managers, investment companies, hedge funds or any other person.

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

“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 include but not restricted to, information relating to the following:

- i) financial results
- ii) dividends (interim & final)
- iii) change in capital structure i.e issue of securities, buy-back, split, consolidation of shares, forfeiture of shares
- iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- v) changes in key managerial personnel (KMP)

All the other terms used in the Code shall have the same meaning as assigned to them under the Regulations.

III. Sharing of UPSI for legitimate purpose

- a) UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company if made public.
 - b) Till the UPSI becomes a generally available information, UPSI can be shared only on a need-to-know basis and for legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations
 - a. Sharing of relevant UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
 - b. Sharing of relevant UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of UPSI
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- c. Sharing of relevant UPSI with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
- d. Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information
- e. Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.

IV. Before sharing of the UPSI, the concerned person sharing such UPSI shall comply with the requirements in relation to circumstances and procedure for bringing people 'inside' as provided in Code of Conduct for Prohibition of Insider Trading.

V. The Compliance Officer shall maintain record of the details of the recipients including their PAN, Address etc. of UPSI on legitimate purpose.

VI. Functions of the Compliance Officer :

In order to do this, Company Secretary of the Company or such other senior employee shall act as a Compliance Officer of the Company and shall deal with the disclosure of unpublished price sensitive information shall be in a uniform manner and shall not be on selective basis.

- a) Dissemination and disclosure of unpublished price sensitive information on an uniform manner
 - b) Ensuring that the Company complies with principle of fair disclosure of unpublished price sensitive information, such as
 - i. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently, or otherwise to make such information generally available;
 - ii. Appropriate and fair response to queries on news reports and clarification/verification of market rumours by regulatory authorities;
 - iii. Ensuring information shared with analysts and research personnel is not unpublished price sensitive information;
 - iv. Developing best practices for recording of proceedings of meeting with analysts and other investor relations forum and getting it promptly posted at official website of the company and
 - v. Handling of all unpublished price sensitive information on a need to know basis.
 - c) The Compliance Officer shall obtain prior approval of Chairman of the Board /Managing Director/Board of Directors depending upon the nature of sensitivity of the information such as proposed restructuring, buy back, acquisition, merger, amalgamation, takeover, project expansion, disposal of undertaking etc. before releasing to the media and analyst.
 - d) In case of any doubt regarding release of information or understanding the nature of all
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unpublished price sensitive information, Compliance Officer shall consult and seek approval of the Chairman/ Managing Director/ Chief Financial Officer or such other person who are experts in the domain.

- e) If any unpublished price sensitive information is accidentally disclosed or disclosed selectively without prior approval, the person responsible for disclosing such information, shall inform the Managing Director, Chief Financial Officer and Company Secretary immediately. On receipt of such information as Company Secretary in consultation with Managing Director and Chief Financial Officer shall disclose the same to the stock exchanges and also get the same be posted at website of the company so as to make such information generally available.

VII. Disclosure Policy Disclosure/ dissemination of unpublished price sensitive information with special reference to analysts, Research personnel and Institutional Investor.

Sharing of Public Information:

- a) The Directors, Officers, and Employees of the company shall provide only public information to the analysts/research personnel/ large investors like financial institutions, private equity etc.
- b) In case non-public information is proposed to be provided, by the Directors, Officers, and Employees, the person proposing to so provide information shall consult Managing Director and the Company Secretary in advance. The Company Secretary having consultation with the Chairman/Managing Director / Chief Financial Officer in such cases, shall ensure that the information provided to the analysts/research personnel/ investors as above is made public simultaneously with such disclosure.

VIII. Handling of unanticipated questions:

- a) The Company shall take extreme care and caution when dealing with analyst's questions and raise issues outside the intended scope of discussion.
- b) The Chairman/Managing Director/ Chief Financial Officer / Company Secretary should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on in consultation with the Board/ Chairman/ Managing Director, as the case may be. If answer to any question requires dissemination of price sensitive Information, the Chairman/Managing Director/ Company Secretary, shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded at the website ,if any, of the company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

IX. Recording of Discussions:

All the analyst, broker or Institutional Investor meetings shall be attended by at least two company representatives along with the Company Secretary. The Company Secretary, in order to avoid, misquoting or misrepresentation, shall arrange for recording the discussions at the meeting.

X. Simultaneous Release of Information:

- a) Whenever the Company proposes to organize meetings with investment analysts/ institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The company may also consider live webcasting of analyst meets.
- b) The Company Secretary in consultation with the Chairman/Managing Director or Chief Financial Officer shall draft the press release or the text of the information to be posted on the Company's website.

XI. Medium of Disclosure/ dissemination of unpublished price sensitive information:

- a) The Company shall disseminate all unpublished price sensitive information promptly and on a continuous basis to stock exchanges where its securities are listed and thereafter to the electronic or print media so as to make generally available.
- b) The information filed by the Company with the Stock Exchanges under the SEBI LODR Regulations listing shall also be posted on the Company's website.

XII. Rumours: Verification of Market Rumours and response to queries

- i. The Directors and Employees of the Company shall promptly direct any queries or requests for verification of market rumours received from the stock exchanges or from the press or media or from any other source to the Company Secretary
 - ii. It is the general Policy of the Company not to respond to market rumours or speculations unless required by the regulatory authorities including stock exchanges where the Company's Shares are listed. The standard response shall be "it is the company's policy ***NOT TO COMMENT RUMOURS OR SPECULATION***". However, any rumour that has had or is likely to have a substantial effect on the price of the company's securities will be clarified or confirmed in accordance with securities regulations.
 - iii. The Company Secretary shall on receipt or requests as aforesaid, consult the Chairman/Managing Director and respond to the same without any delay.
 - iv. The Company Secretary in consultation with the Chairman/Managing Director / Chief Financial Officer shall decide as to the necessity of a public announcement for verifying or denying rumours and there after making appropriate disclosures.
 - v. All the requests/queries received shall be documented and as far as practicable, the Company Secretary shall request for such queries/request in writing.
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XIII. Need to know handling of UPSI:

- a) The Company shall take extreme care and caution when dealing with analyst's questions and raise issues outside the intended scope of discussion.
- b) The Chairman/Managing Director/ Chief Financial Officer / Company Secretary should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on in consultation with the Board/ Chairman/ Managing Director, as the case may be. If answer to any question requires dissemination of price sensitive Information, the Chairman/Managing Director/ Company Secretary, shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded at the website if any, of the company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

XIV. Sharing of unpublished price sensitive information on need to know basis:

Price Sensitive Information must be handled on a 'need to know' basis only when needed for legitimate purposes. Such 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 a conflict of interest or appearance of misuse of information.

a) Need to Know Principle:

In certain circumstances, the Company Secretary may delay disclosure of unpublished price sensitive information where immediate or pre-mature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to the Company's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, Company may withhold public disclosure for a limited period of time but it must ensure the information remains confidential.

When unpublished price sensitive information is being temporarily withheld, Company will take the following precautions to keep the information confidential:

- i. The information will only be disclosed to Company Personnel, the controlling shareholder (if any) and credit rating agencies in the necessary course of business and on a "need to know" basis;
 - ii. If and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company;
 - iii. Confidentiality agreements will be used to ensure protection and Confidentiality of information by third parties;
 - iv. Reasonable care will be taken to ensure appropriate security and protection of the information.
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- v. These responsibilities and procedures also apply during the period of time when news releases involving material information are being developed, until the information has been released and disseminated to the investing public.
- vi. When the Confidential unpublished price sensitive information being withheld involves a material change, Company will file a report with the Exchange and relevant securities regulators on a confidential basis in accordance with applicable securities legislation.

b) Standard Practice for information seeker:

- i. Request for seeking price sensitive information must be in writing;
- ii. Purpose of obtaining information must be disclosed;
- iii. Declaration must be given that information shall be used for legitimate purposes, cannot be given to anyone except to discharge legal obligation and it is essential for discharge of his duties;
- iv. Such other conditions which may be required to strength the system;

c) Standard Practice for information provider:

- i. Ensuring that request is received from the official email ID or under the signature of information seeker;
- ii. Ensuring that he is assigned for the purpose for which he is seeking such information by discussing with him or his senior;
- iii. Shall maintain the data bank for the information shares;
- iv. Confidential information preferably is given in hard copy or password protected file.
- v. Execution of Non-disclosure agreement;

XV. Process of inquiry in case of leak of UPSI or suspected leak of UPSI

- a) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar and Share Transfer Agent, designated person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government;
 - b) The complaint shall interalia state particulars of the complaine and details of the complaint. The Complainant has the option of annexing such documentary evidence, as deemed reasonable for the purpose of substantiating the complaint lodged ;
 - c) The Complaint shall be addressed to the Company or Board or Audit Committee or Chairman or Managing Director (MD) or Chief Executive Office, by whatever name called.
 - d) The enquiry may be carried by the Internal Committee comprising of Managing Director, Chief Financial Officer and Company Secretary and/or any such other officer(s) of the Company. The Committee shall complete inquiry within 3 weeks and submit report to the Board & Audit Committee.
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- e) Within 5 (five) working days of receipt of the complaint Internal Committee, shall write to the complaineo intimating the details of the complaint received and requesting him to give a written representation within 7 (seven) working days of receipt of letter. If Internal Committee feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company then he will discard the complaint with reasons recorded in writing.
 - f) Within 7 (seven) working days of receipt of representation, Internal Committee shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as he may deem expedient in this regard. During the course of such investigation, the Committee may call for such additional documents, representations, etc. as he may deem fit.
 - g) If no representation is received within the aforesaid stipulated time, Internal Committee shall issue notice to the complaineo asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.
 - h) On completion of the preliminary investigation, receipt of reply to the show cause notice issued under point e or on non-receipt thereof, Internal Committee shall refer the matter to the Chairman of the Audit Committee, along with his opinion, for his consideration.
 - i) The Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and shall actually convene the concerned meeting within a period of 45 days of receipt of report of Internal Committee.
 - j) The Audit Committee shall consider the matter and put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion that the complaineo is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the company, which will be in addition to the penal provisions stated under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any other statutory enactments, as applicable.
 - k) The Internal Committee shall be responsible: -
 - i. To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
 - ii. To authorize any person, if required, to collect necessary support material;
 - iii. To consider the facts and circumstances and decide / direct on the matter;
 - iv. To decide disciplinary action thereon.
 - l) The Company suo-moto reserves the right of initiating an inquiry under this policy against any designated person if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI. Such enquiry shall be conducted by the Internal Committee.
 - m) The Internal Committee , if required may also appoint and / or authorize any person(s), as it may deem fit, to initiate/conduct an inquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.
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- n) The Internal Committee may take cognizance of matter and decide :-
 - i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
 - ii) If it is found that the issue requires further investigation, Preliminary Inquiry may be initiated
- o) This policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Vigil Mechanism Policy of the Company.
- p) The Disciplinary Action(s) shall include, wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the Internal Committee, in addition to the action to be initiated by SEBI, if any.
- q) On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Company Secretary shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed in the format as set out in “Annexure-A” to this policy.
- r) On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall ensure that a report on such actual or suspect leak of UPSI, preliminary inquiry thereon and results thereof shall be promptly informed to SEBI in the format as set out in “Annexure- B” to this policy.

XVI. Digital Database of Persons with whom UPSI is shared and Internal Control System

- (a) The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be 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 databases shall be maintained with adequate internal controls and such as time stamping and audit trails to ensure non-tampering of the database.
 - (b) The Managing Director of KKL shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and regulations to prevent insider trading.
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