



KALPATARU®

POWER TRANSMISSION LIMITED

Kalpataru Power Transmission Limited

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING
AND REPORTING OF TRADING BY INSIDERS

(Effective from 15th May, 2015)
(Amended from 1st April, 2019)

[This document intends to lay down code of Internal procedures and conduct with respect to Trading by Insiders in accordance with regulatory and legislative requirement prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)]

1. PREAMBLE

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

Kalpataru Power Transmission Limited's "Code of Practices Procedure and Conduct to Regulate, Monitor and Report Trading by Designated Persons" is framed in line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).

This code is applicable to all Designated Persons and their immediate relatives. This Code will be effective from May 15, 2015.

Pursuant to provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 to be effective from 1st April, 2019, the Code was amended by the Board of Directors at its meeting held on 22nd March, 2019 and the amended Code shall be effective from 1st April, 2019.

2. DEFINITIONS:

2.1 "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

2.2 "Board" means the Board of Directors of the Company.

2.3 "Code" or "Code of Conduct" shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Designated Person of the Company as amended from time to time.

2.4 "Company" means Kalpataru Power Transmission Limited.

2.5 "Compliance Officer" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

[Explanation – For the purpose of this Code, "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 flows]

2.6 “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) above; or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization 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.

2.7 Designated Employee(s) shall include:

- (a) Key Managerial Personnel (KMP) of the company
- (b) Secretaries and personal assistants of Executive Chairman, Managing Director, Executive Director, Business Unit Heads and CFO of the Company
- (c) All employees (including temporary employees, trainees) in the Corporate Finance & Accounts, Secretarial, Taxation, IT Support Staff, Department.
- (d) General Managers and above of the Company
- (e) Key Managerial Personnel of material subsidiaries of the Company

- (f) Employees of Corporate Accounts, Finance and Company Secretarial department and employees up to two levels below Chief Executive Officer / Managing Director of material subsidiaries of the Company;
- (g) Such other employees as may be decided by the Board of Directors / Managing Director / Compliance Officer on case to case basis

2.8 “Designated Persons” means the Directors, connected persons, the insiders, the Designated Employees, the Promoters or any other person as may be determined and informed by the Compliance Officer from time to time.

2.9 “Director” means a member of the Board of Directors of the Company.

2.10 “Employee” means every employee of the Company including the Directors in the employment of the Company.

2.11 “Generally available Information” means information that is accessible to the public on a non-discriminatory basis. The information published on the website of a stock exchange would ordinarily be considered as generally available information.

2.12 “Immediate Relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities

2.13 “Insider” means any person who is,

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information.

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

2.14 “Key Managerial Personnel” means person as defined in Section 2(51) and Section 203 of the Companies Act, 2013

2.15 “Legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations

2.16 "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.

2.17 "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof:

2.18 "Promoter group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof

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

2.20 "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

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

NOTE:

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

2.22 "Trading Days" means a day on which the recognized stock exchanges in India are open for trading;

2.23 "Regulations or SEBI (PIT) Regulations, 2015" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

2.24 "Unpublished Price Sensitive Information" or "UPSI" 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

3. Interpretation:

3.1 Words and expressions used and not defined in these regulations but defined in the 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 there under shall have the meanings respectively assigned to them in those legislation

3.2 This Code can be modified/amended/alterd only by Board of Directors of the Company.

3.3 But in case of any statutory modification or amendment or alteration of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015, the newly modified/amended/alterd provisions of the Regulation shall be deemed to be implemented in the Code immediately with effect from the date of the statutory notification for modification or amendment or alteration etc.

3.4 The amended code should be placed before the Board of Directors of the Company in the Board Meeting held immediately after the date of statutory notification for modification/amendment/alteration etc. of the Regulation for noting.

4. ROLE OF COMPLIANCE OFFICER

4.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors on a yearly basis while adopting annual accounts of the Company in the Board and Audit Committee Meeting.

4.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and the Company's Internal Code of Conduct in this regards.

5. PRESERVATION OF CONFIDENTIALITY OF UPSI / CONFIDENTIAL INFORMATION

5.1 All information shall be handled within the Company on a need-to-know basis. No insider shall communicate, provide or allow access to any 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.

“Legitimate purposes” shall be determined as per the policy for determination of “legitimate purposes” which is part of “Codes of Fair Disclosure and Conduct” and the Company and the Designated Persons shall comply with the same.

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

UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

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

However, for above mentioned purposes, the Board 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 abovementioned purpose and shall not otherwise trade in securities of the Company when in possession of such UPSI

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 SEBI (Prohibition of Insider Trading) Regulations, 2015 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 checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance Officer shall be primarily responsible for maintaining such database.

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

Persons should be brought 'inside' on sensitive transactions only on a need to know basis. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

5.2 Need to Know:

- (i) "need to know" basis means that UPSI 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 the information.

5.3 Chinese Wall procedure

Chinese Wall separate areas that have access to Inside Information ("Insider Areas") from those who do not have such access ("Public Areas"). As such, Chinese Walls are designed to operate as barriers to the passing of Inside UPSI.

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

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

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

a) Limited access to confidential information

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

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

b) Data Security

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

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

6.1 No insider shall trade in securities of the Company that are listed or proposed to be listed on a stock exchange when in possession of UPSI

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

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

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

[Provided that such UPSI was not obtained under sub-regulation (3) of regulation 3 of SEBI (PIT) Regulations, 2015.

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

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

Provided that such UPSI was not obtained by either person under sub-regulation (3) of regulation 3 of SEBI (PIT) Regulations, 2015.

- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

- v. in the case of non-individual insiders: –
 - a. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and
 - b. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- vi. the trades were pursuant to a trading plan set up as per Regulation 5 of the Regulation.

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

7. TRADING PLAN

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

7.1 Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve 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; and

(vi) not entail trading in securities for market abuse.

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

7.3 Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further the trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

7.4 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

7.5 However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement of the Plan be deferred until such UPSI becomes generally available information.

7.6 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

8. TRADING WINDOW AND WINDOW CLOSURE

8.1

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

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

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

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

9. PRE-CLEARANCE OF TRADES

9.1 All Designated Persons, who intend to Trade in the securities of the Company including trading in derivatives of securities of the company, when the trading window is open and if the value of the proposed trades is above Rs. 10 Lakhs (market value) should pre-clear the transaction.

9.2 The pre-clearance procedure shall be hereunder:

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

- (iii) The Compliance Officer shall approve / reject pre-clearance application within four working days.
- (iv) All Designated Persons shall execute their pre-cleared trades in respect of securities of the Company including trading in derivatives of securities of the company, within seven trading days after the approval of pre-clearance is given. The Designated Person shall file within 2 (two) trading days of the execution of the Trade, the details of such Trade with the Compliance Officer in the prescribed form (Annexure 2). In case the transaction is not undertaken, a report to that effect shall be filed within two trading days of expiry of seven trading days. (Annexure 2).
- (v) If the trade is not executed within seven trading days after the approval is given, the designated person must pre-clear the transaction again.
- (vi) All Designated Persons who is permitted to trade in securities of the Company shall not enter into an opposite (contra) transaction during the next six months following the prior transaction. Such Designated Persons shall also not take opposite (contra) positions in derivative transactions in the shares of the Company. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act. This shall not be applicable for trades pursuant to exercise of stock options
- (vii) The Compliance Officer may waive off the holding period after recording reasons for the same. However, no such Trade will be permitted when the Trading window is closed.

10. OTHER RESTRICTIONS

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

11. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

Initial Disclosure

11.1 Every promoter, member of Promoter Group, Key Managerial Personnel and Director of the Company, within thirty days of these regulations taking effect i.e. 15th May, 2015, shall forward to the Company the details of all holdings in securities of the Company as on 15th May, 2015 including the statement of holdings of dependent family members in the prescribed **Form A**

11.2 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 shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter or member of the Promoter Group, to the Company within seven days of such appointment or becoming a promoter or member of the Promoter Group in the prescribed **Form B**.

Continual Disclosure

11.3 Every promoter, member of the Promoter Group, Designated Person and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 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 Rs. Ten lakhs, in the prescribed **Form C**

The disclosure shall be made within 2 trading days of:

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

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

11.4 Every Insider who enters into off market trades under Regulation 4 of SEBI (PIT) Regulations, 2015, shall disclose to the Company the details of such Trades within two working days.

11.5 The Compliance Officer shall be authorized to obtain disclosures for reporting level of holdings in securities by Designated Persons or particular class of Designated Person at such intervals as may be determined as being necessary by him to monitor compliance with SEBI (PIT) Regulations, 2015.

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

12.1 Within 2 trading days of the receipt of intimation under Clause 11.3 and 11.4 or from becoming aware of such information, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the particulars of such trading.

13. OTHER REPORTING REQUIREMENTS BY DESIGNATED PERSONS

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

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

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

14. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

The Managing Director of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements of SEBI (PIT) Regulations, 2015 to prevent insider trading.

The internal controls shall include the following:

- a. all employees who have access to UPSI are identified as designated employee;
- b. all the USPI shall be identified and its confidentiality shall be maintained as per the requirements of SEBI (PIT) Regulations, 2015;
- c. adequate restrictions shall be placed on communication or procurement of UPSI as required by SEBI (PIT) Regulations, 2015;
- d. lists of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e. periodic process review to evaluate effectiveness of such internal controls.

The Audit Committee of the Company shall review compliance with the provisions of SEBI (PIT) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Leak of UPSI

SEBI (PIT) Regulations, 2015 mandates every Listed Company to formulate a written Policy and Procedures for inquiry in case of leak of USPI or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and inform the SEBI promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of the Company has adopted the Policy for inquiry in case of leak of UPSI, which is annexed herewith as an "Annexure 3."

15. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT

- 15.1** Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her immediate relatives).
- 15.2** Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.
- 15.3** Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, etc.
- 15.4** The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 15.5** The Company, in case of having observed about any violations of these Regulations, shall inform the Securities and Exchange Board of India promptly.

Annexure "1"

Application cum Undertaking for Pre-clearance

Date:

To,
The Compliance Officer,
Kalpataru Power Transmission Limited
Gandhinagar

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

Dear Sir / Madam,

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

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

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

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

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

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

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

Yours faithfully,

Signature : _____
(Name of designated person)

Annexure "2"

Reporting of Trade / Transaction

To,
The Compliance Officer,
Kalpataru Power Transmission Limited
Gandhinagar

Dear Sir / Madam,

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

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

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

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

I also declare that I have complied with the requirements of minimum period of 6 months for entering into an opposite 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:

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

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

Background

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

In this regard, the Board of Directors of Kalpataru Power Transmission Limited ("**KPTL/Company**") has laid down this Policy and procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ('**the Policy**').

I. Objectives

- i) To strengthen the internal control system to prevent leak of UPSI.
- ii) To restrict and prohibit the practice of sharing of UPSI with the unauthorized person
- iii) To initiate inquiry in case of leak or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("**SEBI**") promptly.
- iv) To penalize any person who appears to have found guilty of violating this Policy.

II. Scope

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

III. Applicability

This Policy shall be applicable with effect from April 01, 2019.

IV. Complaint and Investigation Procedure

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

- by writing a Letter in a sealed envelope marked “**Private and Confidential**” to Compliance Officer at Compliance Officer, Kalpataru Power Transmission Limited, Plot No. 101, Part III, GIDC Estate, Sector – 28, Gandhinagar – 382028, Gujarat, India or
- by sending an email to cs@kalpatarupower.com

In case of Complaint against the Compliance Officer, the information can be provided by sending a Letter in a sealed envelope marked “**Private and Confidential**” to Managing Director at Managing Director, Kalpataru Power Transmission Limited, 7th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Vakola, Santacruz (E), Mumbai – 400 055.

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

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

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

(a) Preliminary Inquiry:

The Compliance Officer shall ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and collect necessary available material in support of the allegations, and thereafter decide whether there is justification to proceed further in the Investigation and embark any disciplinary action.

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

(b) Report of Inquiry to Inquiry Committee:

The Inquiry Committee shall consist of 3 members being Managing Director, Chief Financial

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

(c) Disciplinary Action:

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

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

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

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

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

VI. Amendment

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

FORM A

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6 (2)]**

Name of the company: _____

ISIN of the company: _____

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

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

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

Signature:

Designation:

Date:

Place:

Form B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

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

Name of the company: _____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointme nt of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointme nt of Director/KMP	
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	5	6	6	7	7

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

Signature:

Designation:

Date:

Place:

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature:

Designation:

Date:

Place: