



KALPATARU<sup>®</sup>

POWER TRANSMISSION LIMITED

# Kalpataru Power Transmission Limited

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION (“**CODE**”)

(Effective from 15th May, 2015)

(Amended from 1<sup>st</sup> April, 2019)

## ➤ INTRODUCTION

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

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

## ➤ OBJECTIVES

In compliance with the above requirements and Regulations, Kalpataru Power Transmission Limited (“**the Company**”) has adopted this code based on Schedule A of the said Regulations. The Company endeavors to ensure timely and adequate disclosure of price sensitive information.

## ➤ CODE

The code of practices and procedures for fair disclosure of unpublished price sensitive information (“Code”) for adhering each of the principles is set out below:

1. The Company shall promptly make public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall disseminate unpublished price sensitive information on uniform and universal basis to avoid selective disclosure.
3. The Compliance Officer will act as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall prompt disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall give appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.

7. The Company shall place transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website.
8. All unpublished price sensitive information shall be handled on a need-to-know basis.

➤ **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) provide that no insider shall communicate, provide or allow access to any UPSI, or no person shall procure or cause communication by any insider of UPSI relating to the Company or securities of the Company listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Inducement and procurement of UPSI not in furtherance of one’s legitimate duties and discharge of obligations would be illegal.

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

**Legitimate purpose** shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of Regulations.

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

- (i) Sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- (ii) Sharing of UPSI where such communication is in furtherance of performance of duty (ies).
- (iii) Sharing of UPSI for discharge of legal obligation(s).
- (iv) Sharing of UPSI for any other purpose as may be prescribed under the Regulations or any other law for the time being in force, in this behalf, as may be amended from time to time.

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

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

The Board of Directors of the Company is required to ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom UPSI is shared under Regulation 3 of the Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database is required to be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

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

➤ **CLARIFICATIONS, AMEDEMMENTS ETC.**

This Code has been framed in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. In case of any amendment in the Regulations, direction or clarification by SEBI, provision of this Code shall be read and implemented in context of such amended or clarified positions.

This Code may be modified, amended or substituted by the Board of Directors as may be necessary.