



# Kkalpana Industries (India) Limited

(Formerly Kkalpana Industries Limited)

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

(Pursuant to Sub-regulation (1) of Regulation 9, of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015)

As per Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**the Regulations**"), the board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Kkalpana Industries (India) Limited (Earlier Kkalpana Industries Limited), with the objective to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Insiders and Connected Persons, hereby notifies that the Board of Directors at their meeting held on 27<sup>th</sup> June, 2015, formulated and adopted the Code for the Company in compliance with Chapter IV read with Schedule B of the Regulations.

### I. DEFINITIONS

1. "**Act**" means the Securities and Exchange Board of India Act, 1992.
2. "**Board**" means the Board of Directors of the company.
3. "**Company**" means Kkalpana Industries (India) Limited.
4. "**compliance officer**" means any senior officer, designated so and reporting to the board of directors of the company, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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.
5. "**connected person**" means -

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CIN : L19202WB1985PLC039431

(i) any person who is or has during the six months prior to the concerned act been associated with a 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, 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

6. **"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.

7. **"Derivative"** " includes—

- (i) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;
- (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.

8. **"Director"** means and includes every Director on the Board of the Company.

9. **"Employee"** means every Employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

10. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis. Information published on the website of a stock exchange, would ordinarily be considered generally available.

11. **"Immediate Relative"** means 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.
12. **"Insider"** means any person who is:
- i. a Connected Person; or
  - ii. in possession of or having access to UPSI.
13. **"Key Managerial Personnel"** means a person as defined in Section 2 (51) of the Companies Act, 2013.
14. **"Listing Agreement"** means the Agreement prescribed by the SEBI.
15. **"Non- Trading Period"** means:
- (i) the period, i.e., the number of Trading Days, before and after the date of a meeting of the Board or shareholders of the Company where 'UPSI' (as defined in Clause 27 below) is to be considered as provided under Clause 5 of the Code; or
  - (ii) such other period(s) as may be decided and notified by the Compliance Officer.
16. **"Promoter"** means a person defined as a Promoter under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
17. **"Securities Exchange Board of India" or "SEBI"** means the regulatory body for the investment market in India, constituted under the resolution of the Government of India in the Department of Economic Affairs.
18. **"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.
19. **"Specified"** means specified by SEBI in writing.
20. **"Specified Person"** shall mean and include:
- a. Directors as defined in Clause 8;
  - b. Connected Persons as defined in Clause 5;
  - c. Insiders as defined in Clause 12;
  - d. Designated employees, namely:
    - (i) every employee in the grade of General Manager and above;
    - (ii) every employee in the Finance, Accounts, Secretarial and Legal Department who may be designated as such and informed by the Compliance Officer;
    - (iii) any other employee as may be determined and informed by the Compliance Officer from time to time;

- (iv) Directors;
- (v) Connected Persons;
- (vi) Insiders;
- e. Promoters as defined in Clause 16; and
- f. Immediate Relatives as defined in Clause 11.

- 21. **"Stock Exchanges"** shall include Bombay Stock Exchange Limited (BSE) and Calcutta Stock Exchange Limited (CSE) where the Securities of the Company are currently listed.
- 22. **"Takeover Regulations"** means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 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.
- 24. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- 25. **"Trading Plan"** shall mean a plan for trades to be executed in the future by persons who have perpetual access to the UPSI.
- 26. **"Trading Window"** shall mean the window available for trading in the securities of the company.
- 27. **"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 include but not restricted to, information relating to the following: –
  - (i) Financial results;
  - (ii) Dividends;
  - (iii) Change in capital structure;
  - (iv) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
  - (v) Changes in Key Managerial Personnel; and
  - (vi) Material events in accordance with the Listing Agreement.

Words and expressions used and not defined in the Regulations but defined in the Act, 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 legislations.

## **II. COMPLIANCE OFFICER AND THEIR DUTIES**

The Company has appointed the Mr. A.B.Chakrabarty (Membership No. FCS 7184), Company Secretary as the Compliance Officer who shall be reporting to the Board of Directors and

1. Shall maintain a record of Designated Persons and their Immediate Relatives and any changes made therein.
2. Shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Unpublished Price Sensitive Information", pre-clearing of Designated Persons and their Immediate Relatives trades (directly or through respective department heads, as may be decided by the Company from time to time), monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.
3. Shall assist all the Designated Persons and their Immediate Relatives in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.
4. Shall maintain records of all the declarations in the appropriate form given by the Designated Persons in respect of themselves or their Immediate Relatives for a minimum period of three years.
5. Shall place before the Chairman, on a monthly basis all the details of the dealing in the Shares by the Designated Persons and their Immediate Relatives along with the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

## **III. PRESERVATION OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"**

1. Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Shares of the Company or in any other manner whatsoever nor shall they allow or facilitate access to such information.
2. Unpublished Price Sensitive Information is to be handled on a "need to know basis", i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.
3. Files containing confidential information shall be kept secure. Computer Files must have adequate security of login and password etc.

#### **IV. PREVENTION OF MISUSE OF " UNPUBLISHED PRICE SENSITIVE INFORMATION"**

1. The Company shall specify a trading period from time to time to be called "Trading Window", for trading in the Company's Shares. The trading window shall be closed during the time the information referred to in Para (IV) 3 is un-published.

2. Designated Persons and their Immediate Relatives shall not buy/ sell Shares of the Company during the Closure of the "Trading Window" i.e. the period during which trading in Shares of the Company is prohibited.

3. The "Trading Window" shall be, closed Inter alia at the time of: -

- (a) Declaration of Financial results (quarterly, half-yearly and annual);
- (b) Declaration of dividends (interim and final);
- (c) Any major expansion plans or execution of new projects;
- (d) Amalgamation, mergers, demergers, takeovers and other such acquisitions or transactions;
- (e) Disposal of whole or substantially whole of the undertaking of the Company;
- (f) Any changes in policies, plans or operations of the Company or any other material information which can be construed to be price sensitive;
- (g) Any changes in the capital structure of the Company;
- (h) Any changes in the Key Managerial Personnel of the Company.

The period of commencement of closure of trading window shall be intimated by the company to the Designated Persons and also to the Stock Exchanges from time to time.

4. The trading window shall be opened 48 hours after the information referred to in para 3 or any other information which could be deemed to be of a price sensitive nature, becomes public.

5. All Designated Persons and their Immediate Relatives shall conduct all their dealings in the Shares of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's Shares during the periods when Trading Window is closed, as referred to in Para (IV) 3 above or during any other period as may be specified by the Company from time to time.

6. The Trading Window shall also be applicable to persons who are having contractual or fiduciary relations with the Company including the Auditors, Accountancy Firms, Law Firms etc., assisting or advising the Company.

7. No Designated Person shall trade in Shares of the Company when in possession of an Unpublished Price Sensitive Information, irrespective of whether the Trading Window is open or closed.

## **V. PRE-CLEARANCE OF TRADES**

1. All Designated Persons for themselves and also for their Immediate Relatives, who intend to deal in Shares of the Company, aggregating to traded value in excess of ten lacs rupees over any calendar quarter, should obtain a pre-clearance of the transactions as per the pre-dealing procedure as described hereunder.
2. An application shall be made in attached format (Application for Pre-Clearance of Trade) in this regard, to the Compliance Officer.
3. An undertaking shall be executed in favor of the Company by such Designated Persons whether it relates to themselves or their Immediate Relatives, in the attached format.
4. All Designated Persons and their Immediate Relatives shall execute their order in respect of Shares of the Company within one week after the approval of pre-clearance is given failing which fresh pre-clearance would be needed for the trades to be executed.
5. No Designated Person shall apply for pre clearance of any proposed trade when in possession of an Unpublished Price Sensitive Information, even if the trading window is not closed.

## **VI. RESTRICTION ON OPPOSITE TRADE TILL SIX MONTHS**

All Designated Persons and their Immediate Relatives who trade in any number of Shares of the Company, shall not enter into an opposite transaction i.e. trade in any number of Shares during the next six months following the prior transaction.

## **VII. DERIVATIVE TRANSACTION**

All Designated Persons or their Immediate Relatives are prohibited to take any position in derivative transaction in the Shares of the Company at the time of the closure of Trading Window.

## **VIII. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SHARES**

1. Designated Persons shall make the following disclosures of the Shares and other Shares held in the Company by them and/or their Immediate Relatives, to the Compliance Officer as follows:

(a) Initial Disclosure: Every Promoter, Key Managerial Personnel and Director as on June 27, 2015(the date on which the Regulations come into effect), shall make a disclosure of his/her holding of Shares of the Company, within 30 days from the said date. Further, every person on appointment as a key managerial personnel or a director or becoming a promoter of the Company, shall within seven days of such appointment or becoming a promoter, as the case may be, make a disclosure of his/her holding of Shares of the Company.

(b) Continual Disclosures: Every Promoter, Director or Employee shall make a disclosure of any changes in holding of Shares, when such change aggregates to a traded value in excess of ten lacs rupees over any calendar quarter, within 2 (two) trading days of such change, in the format prescribed for the purpose under the Regulations.

#### **IX. CHINESE WALL PROCEDURES**

To prevent the misuse of confidential information the Company shall adopt a "Chinese Wall" policy which separates those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sales/marketing or other departments providing support services, considered "public areas".

The Designated Persons in the inside area shall not communicate any Price Sensitive Information to anyone in public area.

Designated Persons in Inside Area may be physically segregated from Designated Persons in Public Area.

Demarcation of the various departments as inside area may be implemented by the Company.

In exceptional circumstances Designated Persons from the public areas may be brought "over the wall" and given confidential information strictly on the basis of "need to know" criteria, under intimation to the Compliance Officer.

#### **X. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

1. Any Designated Person, who himself/herself or through his/her Immediate Relatives, trades in Shares of the Company or communicates any Unpublished Price Sensitive information, for trading in Shares of facilitates the communication of such information, in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the Company.

2. Designated Person who violates the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, withholding of promotions and including ineligibility for future participation in employee stock option plans, etc.

3. The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

#### **XI. INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

In case it is observed by the Company/Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by the Company.

**APPLICATION FOR PRE-CLEARANCE OF TRADE**

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

The Compliance Officer  
Kkalpana Industries (India) Limited  
(Earlier Kalpena Industries Limited)  
2B Pretoria Street,  
Kolkata – 700 071

Dear Sir,

**Sub. : Application for Pre-Clearance of Trade to be executed by Designated Persons or the Immediate Relatives** (strike out what is not applicable)

I, \_\_\_\_\_ S/o Mr. \_\_\_\_\_,  
Director/Employee of Kkalpana Industries (India) Limited intend to sell/purchase \_\_\_\_\_  
(\_\_\_\_\_ only) Shares of KIL through myself/----- (my -----)

Details of Depository Account in which such Shares will be debited / credited, are as under:

Name of the first Holder of the DP Account	
Name of the DP	
DP ID	
Client ID	
Nos. of KIL Shares in the said account	

Kindly provide pre-clearance for the above trade. Necessary undertaking is enclosed.

Thanking you,

Yours truly,

Signature \_\_\_\_\_

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

\_\_\_\_\_

I Confirm the above facts stated by me in respect of myself/ my -----

Signature of the designated employee: \_\_\_\_\_

Name of the Designated Employee: \_\_\_\_\_

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

### UNDERTAKING

I, \_\_\_\_\_ S/o Mr. \_\_\_\_\_ aged \_\_\_\_\_ years, residing at \_\_\_\_\_ do hereby undertake that the following information submitted by me to Kkalpana Industries (India) Limited, having its registered office at 2B Pretoria Street, Kolkata – 700 071 are true and correct:

1. That I do not have any access to or have not received any “price sensitive information” upto the time of signing this undertaking.
2. That in case I receive or have access to any “price sensitive information” after signing the undertaking but before the execution of the transaction which I intend to do, as disclosed in my Application for Pre-Clearance of Trade (“the Application”), I shall refrain from dealing in Shares of the Company either personally or through any Immediate Relative of mine, till such information becomes public and shall necessarily inform the Compliance Officer of the Company, of the same.
3. That I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company.
4. I undertake that the transaction stated in the application shall be executed within one week from the date of pre-clearance by the Company, and if the same is not executed within a week, I shall seek a fresh pre-clearance of the transaction.
5. I undertake that in case of purchase of Shares of the Company, the same shall be held by me/ my Immediate Relative, for investment purposes.
6. I undertake that I myself or through any Immediate Relative of mine, shall not enter into an opposite transaction i.e. sell or buy any number of Shares during the next six months following this transaction.
7. I confirm that I myself or through any Immediate Relative of mine, have not entered into an opposite transaction of buy/sell in the past six months, in relation to the Shares of the Company.
8. That the disclosure made by me in this regard, is full and true.

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

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

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

**FORMAT FOR PRE-CLEARANCE ORDER**

Date:

To,

Name:

Designation:

Place:

This is to inform you that your request for dealing in \_\_\_\_\_ (nos.) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

**For Kkalpana Industries (India) Limited**

**A.B.Chakrabarty (Membership No. FCS 7184)  
Company Secretary**