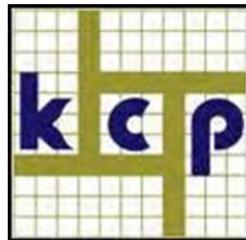


**CODE OF FAIR DISCLOSURE, PROCEDURES FOR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION**

AND

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

*(Pursuant to Regulation 8(1) and 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015
as amended.*



THE KCP LIMITED
CIN: L65991TN1941PLC001128

Progressive Growth

www.kcp.co.in

Introduction:

“Insider trading” The term “insider trading” is defined by the Black’s Law Dictionary as “The use of material non-public information in trading the shares of the company by a corporate insider or any other person who owes a fiduciary duty to the company.”

Section 12A(e) and Section 15G of the Securities and Exchange Board of India Act, 1992 employs the term “dealing in securities” instead of trading 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 Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc when in possession of unpublished price sensitive information.

“Trading” extend to a broad range of transactions including conventional cash-for-stock transactions, conversions, the grant and exercise of stock options and acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that insider trading includes the following:

- Trading by insiders, connected persons while in possession of unpublished price sensitive information;
- Trading by persons other than insiders and connected persons while in possession of unpublished price sensitive information where the information either was given in breach of an insider’s fiduciary duty to keep it confidential or was misappropriated; or
- Communicating or tipping material, unpublished price sensitive information to others, including recommending the purchase or sale of a security while in possession of such information.

It should be noted that unpublished price sensitive information need not be directly related to the issuer of a security for trading to be insider trading. For example, trading while in possession of unpublished price sensitive information about a subsidiary company, which is material to the parent company, would be insider trading.

“A good general rule of thumb: When in doubt, do not trade”

SEBI formulates the **SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations)**, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof,

Pursuant to Regulation 8(1) and 9(1) of the said regulations the Board of Directors of the company has adopted the revised Code for prevention of Insider Trading in the company will be applicable up to March 31, 2019.

Further, SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018 notified on December 31, 2018 and subsequent amendment to PIT Regulations notified on January 21, 2019 requires every listed Company, inter alia, to formulate a policy for determination of ‘Legitimate purpose’ as a part of this code formulated under regulation 8 of SEBI PIT Regulation. Accordingly, the Board of Directors in their meeting held on 29th May 2019 adopted this new Code, inter alia, covering a policy for determination of ‘Legitimate purpose’. This revised Code will be applicable from April 1, 2019.

APPLICABILITY OF THE POLICY :

This Policy shall be applicable to all the insiders including designated persons.

This Statement consists of four sections:

Section I	Purpose of the Code
Section II	Definitions for certain terms used in the Code
Section III	Policy on Disclosures and Internal Procedures for prevention of Insider Trading
Section IV	Standard procedures which have been put in place by the Company to prevent insider trading

SECTION – I

PURPOSE

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is formed under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended, which provides for formulation of a “**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**” for the Company and Regulation 9(1) further provides for formulation of **Code of fair practices and procedures for disclosure of un published price sensitive information to regulate, monitor and report trading by insiders.**

Applicability

This Code applies to all designated persons of the Company, connected persons and anyone else who has material inside information about the Company and extends to all activities within and outside an individual’s duties at the Company.

Every employee and director must review this Code. Questions regarding the Statement should be directed to Mr. Y.Vijaya Kumar, Company Secretary and the Compliance Officer, at vijaycs@kcp.co.in or (+91-044) 66772622 or 66772600 or 66772620 (fax).

SECTION - II

2. Definitions:

- 2.1. **“Act”** means the Securities and Exchange Board of India Act, 1992
- 2.2. **“Board”** means Securities Exchange Board of India (SEBI)
- 2.3. **“Company”** means The KCP Limited, having its registered office at “Ramakrishna Buildings”, 2 PV Cherian crescent, Egmore, Chennai, India, and its present and future subsidiaries, Associated Companies whether incorporated in India or not.
- 2.4. **“Compliance Officer”** means Company Secretary or in absence of Company Secretary, any senior officer, designated so and reporting to the board of directors or head of the organization 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 listed company or the head of an organization, as the case may be.

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

- 2.5. **“Connected person”** means 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.
- 2.6. **“Code”** means this Code of Fair disclosure and conduct for Prevention of Insider Trading”
- 2.7. **“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

- 2.8. **"Designated Persons"** shall include -
- 1) All Directors
 - 2) Promoters who are individuals
 - 3) All Key Managerial Personnel
 - 4) Employees in the Grade of G-4 and above
 - 5) All employees in Finance and Secretarial Departments
 - 6) Secretaries to all Whole time Directors including Chairman & Managing Director
 - 7) Any other employee of the Company that may be notified by the Compliance Officer, from time to time, with the approval of the Executive Chairman and Managing Director.
- 2.9. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis;
- 2.9. **"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;
- 2.10. **"Insider"** means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- 2.11. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- 2.12. **"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;]
- 2.13. **"Reporting Officer"** means the Executive chairman/Managing Director of the Company (MD)
- 2.14. **"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;
- 2.15. **"takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

- 2.16. "**trading in securities**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities,;
- 2.17. "**trading day**" means a day on which the recognized stock exchanges are open for trading;
- 2.18. "**Unpublished Price Sensitive Information**" means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following :-
- a) Financial results;
 - b) Dividends;
 - c) Change in capital structure;
 - d) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions and
 - e) Change in key managerial personnel;
- 2.19 "**Legitimate purpose**" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other adviser(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- 2.20 "**Trading Window**" means the period determined by the Compliance Officer, within which the Designated Persons are permitted to Trade;

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

SECTION – III

3. PROCEDURES FOR PRESERVATION AND DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

3.1 PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI):

The Directors, Designated Employees, Connected Person and concerned Advisers or Consultants or Retainers of the Company shall maintain the confidentiality of all price sensitive information and shall not communicate any Unpublished Price Sensitive Information to any person except on 'need to know basis' – i.e. that Unpublished price Sensitive Information should be disclosed only to those persons within the Company or persons connected with the Company who need the Information to discharge their duty or legal obligations and whose possession of such information will not give rise to a conflict of investor or appearance of misuse of the information.

The Directors, Designated Employees, Connected Person and concerned Advisers or Consultants or Retainers of the Company shall not pass on any Price Sensitive Information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations unless for the purpose and manner permitted in Regulations.

3.2 Designated persons shall disclose names and PAN or other identifier

Authorized by law, of the following persons in the format annexed as "Annexure I" on annual basis and as and when the information changes;

- a) Designated person him/herself
- b) Immediate relatives of designated person
- c) Persons with whom such designated person(s) has a material financial relationship
- d) Phone/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.

Explanation: The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

3.3 Special Responsibilities and Restrictions on Designated Persons:

The special responsibilities and restrictions imposed on Designated Persons are:

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

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

Every Designated Person is required to maintain strict confidentiality of all Unpublished Price Sensitive Information and prohibited from passing on such information to any person directly or indirectly.

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

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

TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

3.4 Limited access to confidential information

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

3.5 Receipt of UPSI for legitimate purpose

Receipt of Unpublished Price Sensitive Information for legitimate purpose shall be considered as insider for the purpose of this code. Accordingly, the person who shares UPSI shall give proper notice to the recipient of UPSI to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations, 2015.

No Promoter, Director, Designated employee or any insider of the company (Specified Persons) shall trade in securities of the company, when in possession of unpublished price sensitive information **unless**:

- (i) the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of the Code and both parties had made a conscious and informed trade decision;
- (ii) 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 unpublished price sensitive information 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 unpublished price sensitive information 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;

(iii) the trades were pursuant to a **trading plan** set up in this Code.

SECTION IV

4. TRADING PLANS:

An insider shall be entitled to formulate a trading plan 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.

Such trading plan shall:-

- ☐ not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ☐ 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;
- ☐ entail trading for a period of not less than twelve months;
- ☐ not entail overlap of any period for which another trading plan is already in existence;
- ☐ 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
- ☐ not entail trading in securities for market abuse.

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.

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.

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

SECTION - V

5. Standard procedures which have been put in place by the Company to prevent insider trading

The following procedures have been established, and will be maintained and enforced, by the company to prevent insider trading. Specified Persons is/are required to follow these procedures.

5.1 Disclosures by certain persons

(1) Initial Disclosures:

- (a) Every promoter [member of the promoter group] , key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;
- (b) Every person on appointment as a key managerial personnel or a director of the company or upon becoming [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, to the company within seven days of such appointment or becoming a promoter

(2) Continual Disclosures:

- (a) Every promoter [member of the promoter group], [designated person] and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- (b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified above.

5.2 Disclosures by other connected persons:

The Company may require the connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

5.3 Compliance Officer

Mr. Y. Vijaya Kumar, Company Secretary is the designated Compliance Officer (Chief Investor relations Officer) of the Company, who will report to the Board of Directors and provides reports to the Chairman of the Audit Committee and Chairman of the Board of Directors at the end of every quarter.

The Compliance Officer will deal with dissemination of information and disclosure of unpublished price sensitive information. In addition to the above, the duties of the Compliance Officer will be inclusive of, but not limited to, the following:-

1. Prompt 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. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

5.4 Identifying Material, Unpublished price sensitive information

Prior to directly or indirectly trading any security of the Company or its subsidiaries, designated Persons is/are required to determine whether they are in possession of material, unpublished price sensitive information relating to such security. In making such assessment, the explanations of “material” and “non-public” information set forth above should be of assistance and the Company’s Compliance Officer should be consulted in the event of any uncertainty. If after consulting with the Company’s Compliance Officer it is determined that such employee or director or other connected person is/are in possession of material, non-public information, there shall be no trading in such security by them.

5.5 Access to Unpublished price sensitive information:

Access to material, unpublished price sensitive information about the Company or its subsidiaries, including information with respect to their business, earnings or prospects, should be limited to employees and directors of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances or to anyone within the Company on other than need to know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

In communicating material, unpublished price sensitive information to employees of the Company, all employees and directors must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

5.6 Inquiries from Third Parties:

Inquiries from third parties, such as industry analysts or members of the media, about the Company, should be directed to the Executive Chairman, Managing Director or Chief Financial Officer/Company Secretary or other appropriate person designated by them.

5.7 Limitations on Access to the Company Information

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

1. All employees or directors should take all steps and precautions necessary to restrict access to, and secure, material, unpublished price sensitive information by, among other things:
 - (i) Maintaining the confidentiality of Company related transactions;
 - (ii) Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information.
 - (iii) Restricting access to documents and files (including computer files) containing material, Unpublished price sensitive information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
 - (iv) Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;
 - (v) Properly disposing of all confidential documents and other papers, after there is no longer any business or other legally required need;
 - (vi) Restricting access to areas likely to contain confidential documents or material, non-public information by adopting Chinese wall policy which separates those departments which routinely have access to UPSI from other departments and avoiding the discussion of material, unpublished price sensitive information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs.

2. Personnel involved with material, non-public information, to the extent feasible, should conduct their business and activities in areas separate from other Company activities.
3. The Board designates all functional/departmental heads and executives of the company in Group IV and above as the designated employees and they shall be governed by this code of conduct.

5.8 Trading in Securities of the Company:

- (i) No Designated Person is/are shall purchase or sell any type of security while in possession of material unpublished price sensitive information relating to the security, whether the issuer of such security is the Company, its subsidiary or any other affiliated company.
- (ii) Additionally, No Designated Person is/are shall purchase or sell any security of the Company during the closure of the Trading window.
- (iii) Employees, directors or their respective dependent family members, should not directly or indirectly participate in transactions involving trading activities, which by their aggressive or speculative nature may give rise to an appearance of impropriety. Such activities would include short sales, the purchase of put or call options or the writing of such options. Moreover, these persons shall not purchase then sell, or sell and then repurchase, the Company's securities within a month period.

5.9 Trading Window:

Trading window shall refer to specified period during which the trading in securities of the Company is permitted. During the closure of Trading Window, trading in securities of the Company is prohibited for designated employees and is restricted for other employees.

The "Trading Window" shall be closed from the end of every quarter till 48 hours after the declaration of financial results.

The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

The timing for re-opening of the trading window shall be determined by the compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

The Compliance Officer may also notify the period for any other occasion during which the trading window shall be closed.

All designated persons of the company shall conduct all their dealings in the securities of the Company only in a valid trading window period and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed.

When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above the thresholds as stipulated in this Code.

No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

Employees other than designated persons may deal in the securities of the Company only by way of selling and not otherwise during the closure of trading window, subject to compliance with pre-dealing procedure.

5.10 Internal controls and Mechanism for Prevention of Insider trading.

- (1) The company has put the following internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.
- (2) The internal controls shall include the following:
 - (a) all employees who have access to unpublished price sensitive information are identified as designated employee;
 - (b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
 - (c) adequate restrictions are placed on communication or procurement of unpublished price sensitive information as required by these regulations;
 - (d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
 - (e) all other relevant requirements specified under these regulations shall be complied with;

- (f) periodic process review to evaluate effectiveness of such internal controls.
- (3) The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

5.11 Pre-Clearance of Deals in Securities of the company:

PRE-CLEARANCE OF TRADES

Every Designated Person shall obtain a pre-dealing approval as per the procedure prescribed hereunder for any dealing in any Securities of the Company proposed to be undertaken by such Designated Person / his / her Dependent. Such pre-dealing approval would be necessary, only if the cumulative dealing in any financial year exceeds 1,000 Securities or Rs. 5 lakhs (market value), whichever is higher.

If any person covered by the Code, obtained any Price Sensitive Information after executing the undertaking but prior to transacting in Securities of the Company, he/she shall inform the Compliance Officer and refrain from dealing in Securities of the Company.

The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.

The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per

If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance for the intended transaction once again.

In case of subscription in the primary market, Categories of persons mentioned under the para named 'Applicability of the Policy' must hold their investments in Securities of the Company for a minimum period of 30 days. The holding period would commence when the Securities are actually allotted.

The Compliance Officer may waive off the holding period in case of sale of Securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading Window is closed.

A Designated Person who Trades in securities without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.

Advice regarding Pre-Clearance:

In case of doubt, the Designated Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to *pre-clearance* are applicable to any proposed transaction in the Company's Securities.

5.12 Reporting requirements for transactions in Securities:

- (a) The promoters and Designated Persons of the company shall file with the Compliance Officer, inter alia, the details of their/their Dependents' holdings and/or dealings in the Securities of the Company within 30 (thirty) days of the date of the Regulations becoming effective or date of joining the Company, whichever is later.
- (b) Every promoter, designated person of the company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees.
- (c) The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

The disclosure of the incremental transactions after any disclosure under this sub- regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (b) above.

- (d) The Board of Directors of the company may, at their discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.
- (e) All holdings in securities of the company by designated persons (including that of his dependent family members) within 7 working days of joining the company or becoming directors/officers/designated employees, as the case may be (proforma disclosure form is given in **Annexure A** ;
- (f) If any designated persons (including his dependent family members) does not hold any securities in the Company at the time of joining the company or becoming directors/officers/designated employees, as the case may be and he (including his dependent family members) acquires securities of the Company subsequently, he shall make disclosure of such acquisition within 4 working days of acquisition (proforma is given in **Annexure A**;
- (g) Application for pre-clearance for trading in securities of the company has to made in the format provided in **Annexure B** along with the affidavit in the format provided in **Annexure C**

SECTION VI

6. Other procedures

- 6.1** The compliance officer shall within five days of receipt of (1) initial disclosure under sub-clause (a) above and (2) periodical disclosure of change in shareholding under sub-clause (b) above, if such change exceeds Rs. 10 lakhs in value, shall disclose to all stock exchanges on which securities of the Company are listed, the information received as above.
- 6.2** The Compliance Officer shall maintain a register for recording the initial disclosure, periodical disclosure and annual disclosure received under sub-clause 5.11 above. Proformas of the register to be maintained are given in **FORM-X**.
- 6.3** The Compliance Officer shall maintain a Register of Designated Employees as per **FORM-XI**
- 6.4** The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof.

SECTION VII

7. Penalty for Contravention of Code:

- 7.1** Every Designated Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Dependents).
- 7.2** The Designated Persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action including wage freeze, suspension etc by the Company in accordance with the Code of conduct adopted by the Board of Directors of the company.
- 7.3** Action taken by the Company for violation of the Regulations and the Code against any Designated Person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.
- 7.4** Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty of Rs.25 crores or three times the amount of profits made out of insider trading, whichever is higher.
- 7.5** Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs.25 crores or with both.

7.6 Without prejudice to its rights under Section 24 of the SEBI Act, under Regulation 11, SEBI can also pass any or all of the following orders to an Insider found indulging in insider trading –

- directing him / her not to deal in the Company's Securities in any particular manner.
- prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.
- restraining him/her from communicating or counselling any other person to deal in Company's Securities.
- declaring the transactions in Securities as null and void.
- directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the Seller the price as provided.
- directing him/ her to transfer specified amount to investor protection fund of a recognized Stock Exchange.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

(As envisaged under Regulation 2A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time)

Preface:

The Company is committed to transparency and fairness in dealing with all shareholders and in ensuring adherence to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“Regulations”).

The Company has adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Insiders (hereinafter referred to as the “Code of Conduct”) duly approved by the Board of Directors and as amended from time to time. As per the said Regulations, the Company has also formulated and disseminated on the website, a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure) that it would follow. Pursuant to amendment in the Regulations, the Company notifies that this Policy For Determination of Legitimate Purposes (hereinafter referred to as the “Policy”) as a part of the Code of Fair Disclosure.

The term “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 the Regulations. The Legitimate Purpose shall inter alia include sharing of the Unpublished Price Sensitive Information in relation to the following:

1. Sharing the information upon an action, subpoena or order of a court of competent jurisdiction;
2. Sharing the information for any requirement of legal process, regulation or governmental order, decree or as per applicable laws, rules and regulations;
3. Sharing of information with auditors viz. internal auditors, statutory auditors, cost auditors, tax auditors or secretarial auditors in relation to audit or for obtaining any certifications or any other services etc.;
4. Sharing the information with partners, customers, collaborators and suppliers for entering into contracts or other business prospects which necessitates the same;
5. Sharing of information for the purposes of obtaining regulatory licenses and approvals etc.;
6. Sharing of information in relation to obtaining various credit facilities or loans, giving guarantees or providing security from/to banks, financial institutions or other lenders;
7. Sharing of information with merchant bankers including their counsels and advisors etc. in relation to further issue of any Securities, debentures, ADR/GDR, convertible instruments, QIPs etc.;
8. Sharing information with legal advisors or counsels in relation to any litigations, representations or registering of any intellectual property rights or in relation to obtaining any opinion or advisory services etc.;

9. Sharing information with consultants in relation to any to obtaining any opinion or advisory services etc.;
10. Sharing of information with auditors, counsels, advisors or consultant's taxation related issues;
11. Sharing of information with insolvency professionals or other advisors or consultants in any other important matters of the Company; and
12. Sharing of such information as may be determined by the Managing Director from time to time.

Powers of Board of Directors:

The Board of Directors may modify and also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and to further the objective of good corporate governance Dissemination of Code:

This Code shall be shall be hosted on the website of the Company. Further this code and every amendment made thereto, may be intimated to the stock exchanges where the Securities of the Company are listed.

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The KCP Limited (the "Company") is committed to fair disclosure of information about the Company without advantage to any particular person(s). The Company will adhere to the following principles and policies for fair disclosure of unpublished price sensitive information without diluting the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as applicable (the "Regulations") in any manner

1. The Company shall promptly make public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concretion information comes into being and as soon as the information or the decisions are validated by the Board of Directors of the Company, to National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) and upload such information on the Company's Official website in order to make such information generally available to investors and members of the Company.
2. The Company shall make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure by disclosing the information to NSE and BSE, immediately, and simultaneously uploading the same on the Company's website.
3. Sri. Y. Vijaya kumar to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. In case of selective disclosure of unpublished price sensitive information inadvertently or otherwise, the Company shall make prompt dissemination of such unpublished price sensitive information to ensure that such information is generally available.
5. Compliance officer shall provide appropriate and fair responses to queries raised by regulatory authorities on news reports and requests for verification of market rumours.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall take reasonable steps to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences are generally available by uploading such transcripts and records available to the Company on the Company's official website to ensure official confirmation and documentation of disclosures made.
8. Unpublished Price Sensitive Information shall be handled on a 'need to know' basis ie. Unpublished price sensitive information shall be disclosed only to those within the Company, who need the information to discharge their duty.

POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Preamble

- 1.1 The KCP limited (the Company) endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent the misuse/ leak of UPSI and shall initiate appropriate inquiry on becoming aware of leak/ suspected leak of such information and inform the Securities and Exchange Board of India (SEBI) regarding the same as required under the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("the Regulations").
- 1.2 The Regulations made it mandatory for every listed Company to formulate a written policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI and initiate appropriate inquiries on becoming aware of leak of UPSI and suspected leak of UPSI and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

2. 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 un-authorized person, which originates from within the Company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the Company.
- (iii) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) and Designated Persons with any person, firm, Company or Body Corporate.
- (iv) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- (v) To penalize Insider, Employee and Designated Persons who appears to have found guilty of leakage of UPSI!.

3. Scope

The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the Company by any promoter, director, key managerial person, insider, employee, designated person, support staff or any other known or unknown person(s) with any unauthorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

4. Definitions

- (i) Company means The KCP limited.
- (ii) Board or Board of Directors means Board of Directors of the Company.
- (iii) Leak of UPSI shall refer to such act/ circumstances 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, 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.
- (iv) Un-published Price Sensitive Information ("UPSI") shall have the meaning given under Regulation 2(n) of the SEBI (Prohibition of Insider Trading Regulations) (Amendment) Regulations, 2018.

5. Procedure for inquiry in case of leak of UPSI or suspected leak of UPSI:

- (i) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Registrar & 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.
- (ii) The complaint shall *inter alia* state particulars of the compliance 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.
- (iii) The Complaint shall be addressed to the Company or Board or Audit Committee or Executive Chairman/ Managing Director or Compliance Officer of the Company.
- (iv) Within 5 (five) working days of receipt of the complaint, the Chairman & Managing Director shall write to the complaineer 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 the Chairman & Managing Director 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 to be recorded in writing.
- (v) Within 7 (seven) working days of receipt of representation, the Chairman & Managing Director 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 Chairman & Managing Director may call for such additional documents, representations, etc. as he may deem fit.
- (vi) If no representation is received within the aforesaid stipulated time, the Chairman & Managing Director shall issue notice to the complaineer asking him to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him.

- (vii) On completion of the preliminary investigation/ receipt of reply to the show cause notice issued or on non-receipt thereof, the Chairman & Managing Director shall refer the matter to the Chairman of the Audit Committee, along with his opinion, for his consideration.
- (viii) The Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee within a period of 45 days of receipt of such opinion.
- (ix) 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 compliance 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 the Regulations and any other statutory enactments, as applicable.
- (x) 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.
- (xi) 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.

17 PENALTY FOR CONTRAVENTION OF THE CODE

Every designated person/employee to whom this Code applies shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

Designated persons/employee to whom this Code applies and who violate these rules shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in the Company's stock option plans or termination.

The SEBI or any other appropriate regulatory authority would also be informed of the violation of these Rules so that appropriate action may be taken.

18 MISCELLANEOUS

All Employees/Designated Persons/ are advised to read this Code and the SEBI Insider Trading Regulations carefully and acquaint themselves with the provisions contained therein ensure that their Immediate Relatives do not violate the Regulations / Code in letter or in spirit.

While a person may cease to be a Designated Person on retirement, resignation, etc. (and consequently would cease to be subject to this Code), he would continue to be a Connected Person for the purpose of the Regulations / Code for a period of 6 months from separation and consequently would continue to be subject to the Regulations / Code).

It is further re-iterated that the onus of providing necessary disclosure(s)/ intimation(s) shall be on the Insider, Designated Person, employee concerned and they themselves shall be personally liable to pay penalties/compensate the Company, if levied by Stock Exchanges / SEBI or other regulatory authorities.

The Company reserves all right to modify and/or amend this Code at any time. This Code and subsequent amendment(s) thereto, shall be published on the web-site of the Company.

If there are any queries or difficulties relating to the Regulations or this Code, please approach the Compliance Officer for assistance.

Annexure – A

FORMAT FOR DISCLOSURE OF SHAREHOLDING

TO

Company Secretary and Compliance Officer,
The KCP Limited,
“Ramakrishna Buildings”
2, Dr.P.V.Cherian Crescent,
Egmore, Chennai-600008

FROM:

Sub: Disclosure of shares and voting rights held in the Company.

Pursuant to the disclosure requirements of the Code of fair practices and Procedures for prevention of Insider Trading of the KCP Limited, I hereby disclose the following:

1	Number of Shares	
2	Held by Self or Dependent Family Members	
3	Holding of shares as on	(Initial Disclosure)
4	Holding disclosed on	
5	Purchases	
6	Sales	
7	Holding as on	

Note: In case of initial disclosure points (4) to (7) are not applicable.

I declare that the shares sold have been held for 30 days.

I further, declare that the above disclosure is true and correct and is in compliance with Company's Insider Trading Policy.

Place	Signature
Date	Name

Annexure – B

FORMAT FOR APPLICATION FOR PRE - CLEARANCES

TO

Company Secretary and Compliance Officer,
The KCP Limited,
“Ramakrishna Buildings”
2,Dr.P.V.Cherien Crescent,
Egmore, Chennai-600008

Dear Sir,

Sub: Request for pre-clearance for trading in securities of the Company

In pursuance of the procedure laid down for the dealing in securities of the Company, I hereby submit the following for your clearance.

1	Name of the Employee	
2	Designation and Department	
3	Company / Subsidiary / Associate	
4	Week during which proposed sale is contemplated	
5	No. of Shares proposed to be sold	
6	DP ID	
7	Client ID	
8	Reason for sale	
9	Sale by Self or Dependent Family Members	

Further, I enclose the Undertaking cum Indemnity Bond as envisaged in the Insider Trading Policy for your records. I confirm that I have read the Company’s Insider Trading Policy and am not in possession of Unpublished Price Sensitive Information consciously or otherwise. The above is full and true disclosure in the matter. In the light of the above, please communicate your clearance to enable me to sell the securities.

Place	Signature
Date	Name

Note: To be executed on Rs.10/- Non Judicial Stamp paper

UNDERTAKING – CUM – INDEMNITY BOND

This UNDERTAKING cum INDEMNITY BOND is executed for trading in securities of The KCP Limited.

By _____ S/o / W/o / D/o _____ residing at _____ (hereinafter referred to as employee / director)

In favour of

The KCP Limited, a company incorporated under the Indian Companies Act, 1913 and having its Registered office at “Ramakrishna Buildings”2, Dr.P.V.Cherien Crescent, Egmore, Chennai-600008 “(hereinafter referred to as the "Company")”.

WHEREAS THE Company has, in terms of Regulatory requirements, set in place an INSIDER TRADING POLICY of the Company (hereinafter referred to as the “Policy”),

AND WHEREAS, the Policy provides that an employee / director of the company must comply with the pre-dealing procedure before dealing in any securities of the Company beyond threshold limit / during the closure of trading window,

AND WHEREAS, for complying with the pre-clearance procedure, an undertaking cum Indemnity Bond needs to be executed in favour of the Company by the concerned employee / director,

NOW THIS UNDERTAKING cum INDEMNITY BOND WITNESSTH AS UNDER

1. I, _____ (Employee / Director) of The KCP Limited, do hereby undertake to adhere to the terms, conditions and restrictions contained in the Policy, as are currently in force.
2. I understand that any misrepresentation and/or false undertaking given herein may attract penalties as laid down under the Policy.
3. That, I do not have access to, or have not had access to UNPUBLISHED PRICE SENSITIVE INFORMATION (UUPSI) by virtue of my position or connection in the Company or illegally or inadvertently or otherwise, up to the time of signing this Undertaking cum Indemnity Bond.
4. That, I shall obtain the pre-clearance of the Compliance Officer, before dealing in the Securities of the Company.
5. That, in case I have access to or receive UPPSI after the signing of this Undertaking cum Indemnity Bond but before the execution of the transaction, I shall inform the Compliance Officer and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.

6. That, I have not contravened the rules and other provisions contained in the Policy of the Company currently in force.
7. That, I have made full and true disclosure in the matter.
8. That, I shall indemnify the Company as given below.
 - i) To hold the Company faultless in the event of any investigation against me for insider trading by any regulatory authority.
 - ii) To make good to the Company for all economic losses, fines or penalty if any imposed on the Company as a result of any investigation by any regulatory authority/ authorities into any of the transactions entered by me in dealing with the securities of the Company.
 - iii) To compensate the Company for and towards all legal expenses incurred in defending itself in such investigations, including advocates' fees.
9. That, I shall bind by the Laws of India, in respect of this Undertaking cum Indemnity Bond and the jurisdiction of the Courts at Chennai.

IN WITNESS WHEREOF this undertaking cum Indemnity Bond has been executed on this date _____ of _____ and at _____

Witness:

1)

2)