

# **SHRI KRISHNA PRASADAM LIMITED**

## **CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS**

*[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015]*

## SHRI KRISHNA PRASADAM LIMITED

### 1. Introduction

1.1 The Securities and Exchange Board of India ("SEBI"), for protection of investors and to regulate the securities market, had formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The Regulations") under the powers conferred on it under the SEBI Act, 1992. These Regulations come into force w.e.f. 15 May 2015, and the same is applicable on to all companies whose shares are listed on Indian Stock Exchanges.

1.2 Regulation 9 mandate every Listed Company to formulate, code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to the regulations.

### 2. Definitions:

**2.1 "Act"** means the Securities and Exchange Board of India Act, 1992 .

**2.2 "Board"** means the Securities and Exchange Board of India.

**2.3 "Board of Directors"** means the Board of Directors of the Company.

**2.4 "Companies Act"** means The Companies Act, 2013.

**2.5 "Company" or "the Company"** means Shri Krishna Prasadam Limited.

**2.6 "Compliance Officer" compliance officer"** means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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.

**2.7 "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, directly or indirectly, including by reason of frequent communication with its company's 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 –

1. an immediate relative of connected persons specified in clause (i); or
2. a holding company or associate company or subsidiary company; or
3. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
4. an investment company, trustee company, asset management company or an employee or director thereof; or
5. an official of a stock exchange or of clearing house or corporation; or
6. 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
7. 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
8. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
9. a banker of the company; or
10. 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; or
11. a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
12. a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d)

**2.8 "Designated persons"** means persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include

- a) All Directors & Key Managerial Personnel (KMPs) of the Company.
- b) Promoters/ Member of Promoter Group of the Company;
- c) Key managerial Personnel (KMP's) as per Companies Act, 2013;
- d) Designated Employee(s);
- e) Chief Executive Officer and employees upto two levels below Chief executive Officer of the company and its material subsidiaries irrespective information;
- f) Any support staff of listed company such as IT staff who have access to unpublished price sensitive information.
- g) Other person as designated by the Board of Directors in consultation with the Compliance Officer of the company, from time to time;

**2.9 "Generally available information"** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or

electronic media.

**2.10. "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.

**2.11 "Insider"** means any person who is-

- a connected person, or
- in possession of or having access to Unpublished Price Sensitive Information

**2.12 "Key managerial personnel"** shall have the meaning assigned to it under the Companies Act, 2013

**2.13 "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.

**2.14 "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.

**2.15 "Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.

**2.16 "SKPL Code" or "the Code" or "this Code"** means the Shri Krishna Prasadam Limited – Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons;

**2.16 "Legitimate Purpose"** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with Trustees, Registrars and Share Transfer Agents, Custodians, Valuation Agencies, Fund Accountants, Association of Mutual funds of India, Credit Rating Agencies, legal advisors, auditors or other advisors or consultants, except where such sharing has been carried out to evade or circumvent the prohibitions of these regulations.

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

**2.18 "Threshold limit"** means the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregating to a traded value of ten lakh rupees.

**2.19 "Trading"** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

**2.20 "Trading day"** means a day on which the recognized stock exchanges are open for trading.

**2.21 "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: –

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business award or termination of order/contracts not in the normal course of business and such other transactions;
- (v) Changes in key managerial personnel (other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor ;)
- (vi) Material events in accordance with the listing agreement.

Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, or the Companies Act, 2013 and any other rules and regulations as drafted by SEBI from time to time be made shall have the meanings respectively assigned to them in those legislation.

**2.22 “Insider Trading Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendment or reenactment thereof.

**2.23 “Trading Window”** means the period during which Trading in the Securities of the Company is permitted to those governed by the APL Code.

### **3. Applicability**

This Code of Conduct applies to following:

- a) Designated Persons
- b) Immediate relatives of Designated Persons.

### **4. Duties of Compliance Officer**

**4.1** The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for preservation of Unpublished Price-sensitive Information, preclearing of trades by Designated Persons, monitoring of trades and the implementation of the code under the overall supervision of the Board of Directors of the Company.

**4.2.** The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Designated Persons for a minimum period of five years.

**4.3.** The Compliance officer may in consultation with the Co - Chairman / Managing Director and shall as directed by the Board, specifies “Prohibited Period” from time to time and immediately makes an announcement thereof and shall maintain a record of “Prohibited Period” specified from time to time.

**4.4.** The Compliance Officer shall place report on insider trading to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually or at such frequency as may be stipulated by the board of directors.

**4.5.** The Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulation and Company's Code of Conduct.

## **5. Reporting Requirements for transactions in Securities Initial Disclosure Initial Disclosures**

### **Initial Disclosures**

- a) Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter (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.

### **Continual Disclosures**

- b) 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 (10) lakhs or such other value as may be specified.
- c) 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.
- d) The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time

## **6. Preservation of Unpublished Price Sensitive Information**

**6.1** All price sensitive information shall be handled within the Company on a "Need to Know basis" and no unpublished price sensitive information (UPSI) shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

**6.2** Any person in receipt of unpublished price sensitive information pursuant to "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

**6.3** Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

**6.4** Notwithstanding contained in 6.1, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- a) 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.
- b) 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.

## **7. Prohibitions On Trading Of Securities**

**7.1** No insider, either on his own behalf, or on behalf of any other person shall trade in the Securities of the Company when in possession of Unpublished Price Sensitive Information. However, trading in following cases is allowed i.e., restriction mentioned above is not applicable in following cases:

a) Transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without breach of Regulation 3 of Insider Trading Regulation mentioned herein and both parties had made a conscious and informed trade decision. Provided that such unpublished price sensitive information was not obtained under 6.4 of this Code and such off-market trades are required to 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.

b) Transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 of Insider Trading Regulation and both parties had made a conscious and informed trade decision; Provided that such unpublished price sensitive information was not obtained by either person under 6.4 of this Code.

c) transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

d) 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.

e) in the case of non-individual insiders: –

I. 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

II. 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.

f) Trades is pursuant to Trading Plan made in accordance with Insider Regulation.

## **8. Trading Plan**

**8.1** 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: –

- (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.

**8.2** The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of Insider Trading 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.

**8.3** The trading plan once approved shall be irrevocable and the inside 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. Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan 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 ought to be deferred until such unpublished price sensitive information becomes generally available information.

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

## **9. Trading Window**

**9.1** The trading period during which Company's securities can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is unpublished.

**9.2** When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in Company's securities in such period.

**9.3** The trading window shall be, inter-alia closed at the time of:

- a) Declaration of Financial results
- b) Declaration of dividends (interim and final)
- c) Change in capital structure
- d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business
- e) Changes in key managerial personnel
- f) Such other time as the compliance officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.

**9.4** The Compliance Officer shall also close the trading window when he / she determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

**9.5** The trading window shall be opened 48 (Forty-Eight) hours after the UPSI becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with Company, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising Company.

**9.6** 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 48 (Forty-Eight) hours after the information becomes generally available.

**9.7** However, subject to the SEBI Act, Rules, and Regulations, in case of ESOP, exercise of options shall be allowed during the period when the trading window is closed. However, sale of shares allotted on exercise of ESOP's shall not be allowed when the trading window is closed.

**9.8** Creation of pledge is allowed when trading window is closed. However, the pledgor or pledgee may demonstrate that the creation of pledge was bona fide and prove their innocence under proviso to sub-regulation (1) of regulation 4 of the Insider Regulation.

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

**10.1** All Designated Persons who intend to trade in the securities of Company (either in their own name or in any immediate relative's name) i.e., buy or sell securities and if value of the securities likely to be traded, whether in one transaction or a series of transactions in calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 (Rupees Ten Lakh Only), shall make an application for pre-clearance in the format set out in Annexure A to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which he / she has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of unpublished price sensitive information.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However, for any subsequent sale of shares acquired under ESOP scheme, pre-clearance shall be applicable as per limits prescribed as above

**10.2** 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.

**10.3** The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.

**10.4** All Designated Persons of Company and their immediate relatives shall execute their order in respect of securities of Company, within 7 (seven) trading days after the approval of pre-clearance is given. If the order is not executed within 7 (seven) trading days after the approval is given, the employee must obtain the pre- 9

clearance for the transaction again.

#### **11. Amendment**

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

**Annexure 1**

**FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL**

Date \_\_\_\_\_

To,  
Compliance Officer,  
**Shri Krishna Prasadam Limited**

Dear Sir,

**Application for Pre-Clearance/ Pre-dealing approval in securities of the Company**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Conduct to Regulate, Monitor and Report Trading by Insiders, I seek approval to purchase/sale/subscribe for not more than \_ securities of the Company (having approximately Market value of Rs.\_as on the date of application) as per the details given below:

1.	Name of the Applicant	
2.	Designation	
2A	Relationship with the Applicant (Self/Immediate Relative)	
3.	Number of securities held as on date	
4.	Folio No./DP ID/Client ID	
5.	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities (d) Pledge (e) Un-Pledge
5.	Proposed date of dealing in securities	
6.	Estimated number of securities proposed to purchase/sale/subscribe/ pledge	
7.	Estimated price at which the transaction is proposed be Executed	
8.	Whether the transaction would be through Stock Exchange or off-market deal	
9.	In case of Off-market deal, Folio no./DP ID/Client ID where the securities will be credited	

I enclosed herewith the form of undertaking signed by me.

Yours truly,

(Signature of the Designated Person) (Name of the Designated Person)