

***CODE OF CONDUCT FOR PREVENTION OF  
INSIDER TRADING***

***Khatod Investments & Finance Company  
Limited***

## **1. Preface:**

The Securities and Exchange Board of India (SEBI) has amended The Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and after amendment in 2002 renamed the same as The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 (hereinafter called the 'Regulations'). It has modified the various Regulations making it wider for coverage and more stringent for its compliance.

The Regulations state that an insider shall not buy or sell the shares of the listed company while in possession of any unpublished price sensitive information.

The Company is committed to prohibit the Insider Trading with certain restrictions on Directors & Designated Employees keeping in mind the objective of the Regulations and the regulations shall be complied with to the extent applicable.

## **2. Definitions:**

As used in this Code:

- (a) "Board" means Board of Directors of the Company.
- (b) "Code" means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- (c) "Company" means KHATOD INVESTMENTS & FINANCE COMPANY LTD.
- (d) "Compliance Officer" means an Employee appointed by the Board for the implementation of and overseeing compliance with the Regulations and the Code across the Company.
- (e) "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.
- (f) "Designated Employee" means: -
  - (i) such Employees in the top three layers of the management as may be identified by the Compliance Officer in consultation with the Managing Director or the Chief Executive Officer of the Company; and
  - (ii) any other Employee as may be designated by the Compliance Officer in consultation with the Managing Director or Chief Executive Officer of the Company considering the objectives of the Code.
- (g) "Director" means a member of the Board of Directors of the Company.
- (h) "Dependent" shall include the spouse, children and parents, who are financially dependent on the Specified Persons and such other family members of the Specified Persons as may be notified by him/her.
- (i) "Employee" means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- (j) "Insider" means any person who, is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished Price Sensitive Information in respect of Securities of the Company, or who has received or has had access to such unpublished Price Sensitive Information.
- (k) "Officer" includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor.

(l) "Price Sensitive Information" means any information, which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of Securities of the Company. Explanation: The following shall be deemed to be Price Sensitive Information:

- (i) periodical audited or unaudited financial results of the Company, stand-alone or consolidated;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue of Securities or buy-back of Securities;
- (iv) any major expansion plans or execution of new projects;
- (v) amalgamation, mergers or takeovers;
- (vi) disposal of the whole or a substantial part of the undertaking;
- (vii) any significant changes in policies, plans or operations of the Company;

(m) "Securities" includes:

- (i) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature, and
- (ii) such other instruments recognized as securities and issued by the Company from time-to-time, but shall not include any kind of derivatives in the Securities of the Company.

(n) "Specified Persons" - the Directors, the Officers and the Designated Employees are collectively referred to as Specified Persons.

(o) "Working Day" shall mean the working day when the regular trading is permitted on the concerned stock exchange where Securities of the Company are listed. All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations or the Companies Act, 1956.

### **3. Compliance Officer and his/ her Responsibilities:**

- 3.1. The Compliance Officer of the Company with regard to the Code shall report to the Chairman and/or Managing / Whole-Time Director. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules pre-clearing the transactions, monitoring the trades and ensure Implementation of the Code and compliance, under the overall supervision of the Board.
- 3.2. The Compliance Officer shall maintain a record of the Designated Employees from time to time in consultation with the Chairman / Managing / Whole-Time Director.
- 3.3. The Compliance Officer shall assist all the employees in addressing any clarifications regarding this Code.

### **4. Preservation of "Price Sensitive Information"**

4.1 Employees/directors shall maintain the confidentiality of all Price Sensitive Information. Employees/Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

4.2 All directors/officers and designated employees of the company shall be subject to trading restrictions as enumerated in the Code.

### **5. Need to know**

Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

### **6. Trading Window**

6.1 The company shall specify a trading period, to be called "trading window", for trading in the company's securities. The trading window shall be closed during the time the information referred to in para below is unpublished. When the trading window is closed, the employees/directors shall not trade in the company's securities in such period.

- 6.2 The trading window shall be, inter alia, closed at the time of:—
- (a) Declaration of financial results (quarterly, half-yearly and annually).
  - (b) Declaration of dividends (interim and final).
  - (c) Issue of securities by way of public/rights/bonus etc.
  - (d) Any major expansion plans or execution of new projects.
  - (e) Amalgamation, mergers, takeovers and buy-back.
  - (f) Disposal of whole or substantially whole of the undertaking.
  - (g) Any changes in policies, plans or operations of the company.

6.3 The Trading Window shall be closed for the period of 7 days before the date of said Board Meeting and shall be opened 24 hours after the said information is made public.

6.4 All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred in above Para or during any other period as may be specified by the Company from time to time.

6.5 In case of ESOP, the exercise of options shall be allowed in the period when the Trading Window is, closed. However, sale of shares allotted on exercise shall not be allowed, when Trading Window is closed.

#### **7. Pre Clearance of Trade:**

7.1 All Directors / Officers / Designated Employees, or his/ her dependent, who Intent to deal in the securities should pre clear such transactions, should pre-clear the transaction as per the pre-dealing procedure as described hereunder

7.2 An application may be made in the prescribed form in **Annexure I** to the Compliance Officer indicating the estimated numbers of securities to be dealt in.

7.3 An undertaking shall be executed in favour of the company by such designated employee/director/officer incorporating, inter alia, as per **Annexure II**:

#### **8. Other Restrictions:**

8.1 All Directors / Officers / Designated Employees, or his dependent shall execute their order in respect of the securities of the Company within one week after the approval of pre clearance is given; else make a fresh application for preclearance.

8.2 All Directors / Officers / Designated Employees who buy or sell any securities of the Company shall not enter into an opposite transaction in securities, including derivate transactions in the shares of the Company, during next 6 (six ) months following the prior transaction ,

8.2.1 In case Directors / Officers / Designated Employees subscribe to initial public offers by the Company they shall hold such investments for the minimum period of 30 days from the date of allotment of such securities.

8.2.2 In case the sale of securities is necessitated by personal emergency, the holding period as aforesaid, may be waived by the Compliance Officer, in consultation with the Chairman! Managing / Whole Time Director, after recording in writing his/her reasons in this regard.

#### **9. Reporting of Transactions:**

All Designated Employees of the Company shall be required to forward the following details of their securities transactions (including the statement of dependent family members) to the Compliance Officer:

9.1 All holdings in securities of the Company by the Designated Employees at the time of joining the Company

9.2 Annual statement of all holdings in securities **Annexure III**

### 9.3 Initial Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Any person holding more than 5% shares or voting rights	Number of Shares or voting rights held by such person	Within 2 working days of a) receipt of intimation of allotment of shares; or b) acquisition of shares or voting rights, as the case may be.	A
Director/Officer	Number of shares or voting rights and position taken in derivatives by such persons and his dependants	Within 2 working days of becoming a director or officer of the company.	B

### 9.4 Continual Disclosures

By Whom	What to be disclosed	When to be disclosed	Form
Any person holding more than 5% shares or voting rights	a) Number of Shares or voting rights held and b) Change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure and such change exceeds 2% of total shareholding or voting rights in	Within 2 working days of : a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	C
Director/Officer to the Company and Stock Exchange also	a) Number of shares or voting rights held and b) Change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependants from the last disclosure and the change exceeds Rs. 5 Lakh in value or 25,000 shares or 1% of total shareholding or voting rights whichever is lower.	Within 2 working days of : a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	D

9.5 The aforesaid disclosure has to be made to the Company within 2 working days of:-

- (i) the receipt of intimation of allotment of shares; or
- (ii) the acquisition or sale of shares or voting rights as the case may be

9.6 Disclosure by the Company to Stock Exchanges: Within 2 working days of the receipt of the information under Clause 9.4 of the Regulations, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

9.7 The Compliance Officer shall maintain the record of all declarations in appropriate forms for the period of **3 years**,

### 10. Penalty for Contravention:

- All Directors/Officers/designated employees who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
- All Directors/Officers/designated employees who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage, salary freeze, suspension, withholding of promotions etc.
- The above actions by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) regulations.

### Amendment:

The Company reserves its right to amend or modify the Code in whole or in part, at any time, when it deems appropriate, to suit the requirements under the applicable SEBI Regulations.

**ANNEXURE I**

**PRE-CLEARANCE FORM PURSUANT TO REGULATION 7.2 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF KHATOD INVESTMENTS & FINANCE COMPANY LIMITED**

Date:

Name and Address of Insider:

REQUEST FOR PRE-CLEARANCE

To,  
Compliance Officer  
Khatod Investments & Finance Company Ltd

Name of the Insider/Relative :  
PAN :  
Folio/Client/DP ID/ DP name :  
Shareholding (% to capital) :  
Details of the proposed transaction :

Sr. No.	Type of Securities	No. of shares to be dealt with	% of Capital	Date of proposed transaction	Mode of transaction

Name:

Signature:

Date:

Encl: Undertaking

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FOR OFFICE USE ONLY  
CLEARANCE BY COMPLIANCE OFFICER

TO,

Your request dated \_\_\_\_\_ for pre-clearance for purchase/sale of \_\_\_\_\_ Equity/preference shares/debentures of the company have been accepted. Please ensure that the transaction for which this preclearance is granted is completed by \_\_\_\_\_

or

Your request dated \_\_\_\_\_ for pre-clearance for purchase/sale of \_\_\_\_\_ equity/preference shares/debentures of the company has been rejected.

Reasons, if any, for rejection:

DATE OF PRE - CLEARANCE:

NAME:

SIGNATURE:

**ANNEXURE II**

**UNDERTAKING PURSUANT TO REGULATION 7.3 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF KHATOD INVESTMENTS & FINANCE COMPANY LIMITED.**

Date: (To be the same as request for pre clearance)

Name & Address of Insider  
PAN.

To,  
Compliance Officer  
**KHATOD INVESTMENTS & FINANCE COMPANY LIMITED**  
8/1, Lal Bazar Street, Bikaner Building,  
1<sup>st</sup> Floor, Room No. 10, Kolkata - 700001

I, being an insider in terms of the Code of Conduct for Prevention of Insider trading in securities of the Company, hereby undertake that

- (a) I have no access to Unpublished Price Sensitive Information upto the signing of this undertaking:
- (b) in the event of access to Unpublished Price Sensitive Information after the date of the undertaking but before the execution of the transaction, I shall not deal in the security; and
- (c) I have not contravened the Code of Conduct for prevention of Insider Trading as notified by the Company, from time to time.
- (d) I have made full and true disclosure.

Signature:  
Name:

**ANNEXURE III**

**ANNUAL STATEMENT OF HOLDINGS**

Date:

To  
The Compliance Officer  
**KHATOD INVESTMENTS & FINANCE COMPANY LIMITED**  
Bikaner Building,  
8/1, Lal Bazar Street,  
1<sup>st</sup> Floor, Room No. 10,  
Kolkata – 700 001

Dear Sir/Ma'am,

**STATEMENT OF SHAREHOLDINGS IN THE COMPANY KHATOD INVESTMENTS & FINANCE COMPANY LIMITED**

As on ..... I along with my Dependents\* hold the Securities of the Company, details whereof are as under:

Description of Security:

Name of Holder	Physical Holdings		Electronic Holdings		
	Folio No.	Total holdings	DP ID	Client ID	Total holdings

\*Dependants: Spouse, Dependent Children, Dependent Parents.

Yours truly,

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

Name:



**FORM A**

**SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992**

**[REGULATION 13(1) AND (6)]**

*Regulation 13(3)- Details of shareholding in respect of persons holding more than 5% shares in a listed company*

Name, PAN & Address of the Share holder	Shareholding prior to acquisition / sale	No and % of shares /Voting Rights acquired /sold	Date of receipt of allotment /advice/acquisition of shares / sale of shares (specify)	Date of intimation to the company	Mode of acquisition (market purchase,public/rights/preferential allotment) sale	No & % of shares/voting rights post acquisition/ sale	Trading Member through whom the trade was executed with SEBI Registration No. of TM	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell Quantity	Sell Value

Signature:

Name:

Date:

**FORM B**

*Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*

**(Regulations 13(2), 13(2A) and 13(6))**

**Details of shares or voting rights held by Director or Designated Officer and his dependents or Promoter or Person who is part of Promoter Group of a listed company, or positions taken in derivatives by Director or Officer of a listed company and his dependents.**

Name, PAN No.& Address of Promoter/Person who is part of Promoter Group/Director/Officer	Date of assuming office of Director/Officer/ OR Date of becoming Promoter/part of Promoter Group.	No. & % of shares/voting rights held at the time of becoming Promoter/part of Promoter Group/Director/OPfficer.	Date of intimation to the Company.	Mode of acquisition (market purchase/public/rights/preferential offer etc.	Trading member through whom the trade was executed	Exchange on which the trade was executed	Buy Quantity	Buy Value

*Note: The above table shall be applicable with Suitable modifications to disclosures for position taken in derivatives also.*

Signature:

Name:

Date:

**FORM C**

**SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992**

**REGULATION 13(3) AND (6)**

*Regulation 13(3)- Details of change in shareholding in respect of persons holding more than 5% shares in a listed company*

Name, PAN & Address of the Share holder	Shareholding prior to acquisition / <b>sale</b>	No and % of shares /Voting Rights acquired / <b>sold</b>	Date of receipt of allotment /advice/acquisition of shares / <b>sale</b> of shares (specify)	Date of intimation to the company	Mode of acquisition (market purchase,public/rights/preferential allotment) sale	No & % of shares/voting rights post acquisition/ <b>sale</b>	Trading Member through whom the trade was executed with SEBI Registration No. of TM	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell Quantity	Sell Value

Signature:

Name:

Dale :

**FORM D**

*Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*

**Regulations 13(4), 13(4A) and 13(6)**

**Details of change in shareholding or voting rights held by Director or Designated Officer and his dependents or Promoter or Person who is part of Promoter Group of a listed company.**

Name, PAN No.& Address of Promoter/Person who is part of Promoter Group/Director/Officer	No. & % of shares/voting rights held at the time of becoming Promoter/part of Promoter Group/Director/Officer.	Date of receipt of allotment advice/acquisition/sale of shares/voting rights	Date of intimation to the Company.	Mode of acquisition (market purchase/public/rights/preferential offer/tecs/sale)	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy Quantity	Buy Value	Sell Quantity	Sell Value

Signature:  
Name:  
Date: