

**CODE OF PRACTICES  
&  
PROCEDURES FOR FAIR DISCLOSURE  
OF  
UNPUBLISHED PRICE SENSITIVE  
INFORMATION (UPSI)**

*[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and  
amended as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]*

# KOVALAM INVESTMENT AND TRADING COMPANY LIMITED

This Code is formulated on the principles, as set out in Schedule A to the SEBI (Prohibition of Insider Trading) Regulation, 2015.

## 1. PREAMBLE

The Securities and Exchange Board of India notified SEBI (Prohibition of Insider Trading) Regulations, 2015 on January 15, 2015 in the Official Gazette of India (hereinafter referred to as the 'Regulations'). These Regulations are effective from May 15, 2015. This Code has been framed in pursuance to the Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 and approved by the Board of Directors of the Company, the purpose of this Code is to ensure timely and adequate disclosure of Unpublished Price Sensitive Information.

Further, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 notified on December 31, 2018 to be effective from April 1, 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 Regulations, 2015. Accordingly, the Board of Directors of the Company in their meeting held on May 28, 2019 amended the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI)" of KOVALAM INVESTMENT AND TRADING COMPANY LIMITED in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This revised Code is effective from April 1, 2019.

## 2. DEFINITIONS

**Board or Board of Directors** shall mean the Board of Directors of the Company.

**Code** shall mean the Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive information (UPSI), as amended from time to time.

**Company** means KOVALAM INVESTMENT AND TRADING COMPANY LIMITED.

**Compliance Officer** for the purpose of these regulations means the Company Secretary of the Company, or in his/her absence any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015 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 the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the overall supervision of the Board of Directors of the Company.

**Connected person** means:

a) 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 including by reason of frequent communication with the 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.

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b) 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:

- i. an immediate relative of connected persons specified in above clause (a); or
- ii. a holding company or associate company or subsidiary company; or
- iii. an intermediary as specified in section 12 of the SEBI Act, 1992 or an employee or director thereof; or
- iv. an investment company, trustee company, asset management company or an employee or director thereof; or
- v. an official of a stock exchange or of clearing house or corporation; or
- vi. 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
- vii. 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
- viii. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- ix. a banker of the company; or
- x. 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 percent of the holding or interest.

**Chief Investors Relations Officer (CIRO)** means Company Secretary/ Compliance Officer of the Company.

**Designated Person(s)** for the purpose of this Code shall mean and include following:

- a) Promoter(s) of the Company and Promoter(s), whether individual or investment companies, of fiduciaries;
- b) Director(s) of the Company;
- c) Key Managerial Personnel(s) of the Company;
- d) Such other officer(s) of the Company having professional designation;
- e) Chief Executive Officer (CEO) or Managing Director (MD) or any such equivalent position of the Company as well as fiduciaries and employees up to two levels below such CEO or MD or person occupying such other equivalent position irrespective of functions/ role/ ability to have access to UPSI;
- f) Employees of the Company as well as fiduciaries employed into Finance/Accounts/Information Technology/Legal/Secretarial Department or such other department having access to unpublished price sensitive information;

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g) Such other person as may be determined by the Board of Directors in consultation with the Compliance Officer from time to time.

**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.

**Insider** means any person who is:

- a) a connected person; or
- b) in possession of or having access to unpublished price sensitive information

**Policy** shall mean 'Policy for determination of Legitimate Purposes'

**Regulations** shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto including any statutory modification(s) or re-enactment thereof.

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

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

**Unpublished Price Sensitive Information (UPSI)** means any information, relating to a 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, delistings, disposals and expansion of business and such other transactions;
- v. Changes in key managerial personnel; and

### 3. PRINCIPLES OF FAIR DISCLOSURE

The Company shall adhere to the following principles so as to ensure fair disclosure of events, occurrences and unpublished price sensitive information that could impact price of its securities in the market:

- a) The Company shall promptly disclose the UPSI to the Stock Exchange(s) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information Generally Available Information.
- b) There shall be a universal and uniform disclosure of UPSI through the Stock Exchanges. The information may be disseminated through media for wider and quick dissemination and may also be hosted on the website of the Company [www.owmnahar.com](http://www.owmnahar.com).

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- c) The Company Secretary/ Compliance Officer shall act as the Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of unpublished price sensitive information.
- d) In the event of any UPSI getting disclosed selectively either inadvertently or otherwise, the Company shall ensure prompt dissemination of UPSI as generally available, by publishing the same on Company's website: [www.owmnahar.com](http://www.owmnahar.com).
- e) The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f) It shall be ensured that the information shared with the analysts and research personnel is not UPSI.
- g) The Company shall develop best practices to make transcripts or record of proceedings of meetings with analyst and conference call with investors/analysts are promptly published on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- h) The Company shall handle all Unpublished Price Sensitive information on a "need to know basis, i.e., it should be disclosed only in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

## 4. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

The objective of the policy is to regulate and monitor communication of Unpublished Price Sensitive Information (hereinafter referred to as "UPSI") for legitimate business purpose in the best interest of the company and also to ensure that such information is shared on "need to Know" basis and not misused by the recipient thereof.

- A. For the purpose of this Code, the expression 'legitimate purpose' shall include (but not limited to) the sharing of information by an Insider:
  - i. In 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 ("Relevant Persons"), provided that such sharing of UPSI has not been carried out to evade or circumvent the provisions of the PIT Regulations. In this regard, it is hereby clarified that sharing of information with the Relevant Persons for obtaining any professional services from such persons shall not be deemed as evading or circumventing the prohibitions of PIT Regulations.
  - ii. During the course of performance of duty(ies).
  - iii. Pursuant to a legal obligation(s) owed to a third party; and
  - iv. In compliance with the provisions of PIT Regulations or any other law for the time being in force applicable on sharing of information by an insider to any third person.
- B. It is hereby clarified that the abovementioned instances for sharing of information for 'legitimate' are not exhaustive. The Board or the Compliance Officer shall, on case to case basis, allow the sharing of information after considering the following:

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- i. reasons for sharing of such information;
  - ii. person sharing the information does not have any 'illegitimate' purpose behind sharing of such information; and
  - iii. on such terms and conditions as the Board or the Compliance Officer deems fit.
- C. Every Designated Person sharing the information for 'legitimate purposes' pursuant of the provisions of this Code shall also observe the provisions of the Insider Trade Code with respect to the sharing of such information for 'legitimate purposes'.

## 5. PENAL PROVISIONS

Any non-compliance or irregularity or non-adherence to this Policy shall be such penal/ disciplinary/ remedial action as may be considered appropriate by the Board of Directors of the Company in the best interest of the Company.

## 6. AMENDMENT

This Revised Code including the Policy may be further amended by the Board of Directors of the Company as and when deemed necessary. Any amendment in the said Regulations at any point of time in future shall be automatically deemed to be incorporated herein. Any such amended Code will be accordingly updated on the website of the Company.

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