



KIRLOSKAR ELECTRIC COMPANY LIMITED

Code of Practices and Procedures for Fair Disclosure of
Unpublished Price Sensitive Information (UPSI)

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
(UPSI)

Introduction

The SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates every listed company to formulate a framework and policy for timely, fair and adequate disclosure of events and occurrences that could impact price discovery in the market for its securities, to enable the investors to take an informed decision while investing in securities of the Company.

Pursuant to Regulation 8(1) of the PIT Regulations read with Schedule A to the said regulations, the Board of Directors of Kirloskar Electric Company Limited has adopted this code of practices and procedures for fair disclosure of UPSI (“Code”).

Terms & Definitions:

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the Company’s Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (“Insider Trading Code”) or 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 the rules and regulations made thereunder, as the case may be or in any amendment thereto.

Principles of Fair Disclosure

The Company shall adhere to the following principles for ensuring fair disclosure of UPSI:

- i. 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.
- ii. 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.kirloskarelectric.com
- iii. There shall be disclosure of Press releases issued by Company that are considered important for general public besides putting the same on the Website. Also the Company shall disclose the Company’s Financials and the Investors presentations pertaining to it for reference of the public.

- iv. The Company Secretary shall be the Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of unpublished price sensitive information.
- v. The Company will make uniform and universal dissemination of UPSI and shall avoid selective disclosure. For ensuring universal dissemination, all UPSI shall be first disclosed to the Stock Exchange(s) before disseminating the same to the investors, research analysts or media houses to any other section of public.
- vi. The Company shall promptly disseminate the UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- vii. Rumors and media speculation shall not be deemed as selective disclosure. The CIRO shall respond appropriately and fairly to queries on news reports and requests for verification of market rumours by regulatory authorities. The CIRO may also consider the requirement of a public announcement for verifying the rumors.
- viii. It shall be ensured that the information shared with the analysts and research personnel is not UPSI.
- ix. The proceedings of meetings with analysts and other investor relations conferences shall be published on the official website of the Company www.kirloskarelectric.com to ensure official confirmation and documentation of disclosures made therein.
- x. The UPSI shall be handled on need to know basis and shall not be communicated by any insider to any person except for 'legitimate purposes' as given in Annexure A.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

1) Background:

The Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulation 2018 notified on December 31, 2018 require every listed Company, inter alia, to formulate a policy for determination of legitimate purpose as part of its "Code of Fair Disclosure and Conduct". Accordingly, the Board of Directors of Kirloskar Electric Company Limited ("the Company") adopted this policy for determination of legitimate purpose.

2) Definition:

- i. **"Legitimate Purposes"** shall mean sharing of Unpublished Price Sensitive Information (UPSI) as provided hereunder in the ordinary course of business with the insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:
 - Sharing the relevant UPSI with consultant, advisors, Insolvency Professionals engaged by the Company in relation to the subject matter of the proposed deal/assignment in relation to UPSI;
 - Sharing the relevant UPSI with intermediaries/fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of UPSI;
 - Sharing the relevant UPSI with persons for legitimate business purpose, including in respect of the events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - Sharing the relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as partners, collaborators, lenders, suppliers, potential customers, joint ventures partners and vendors and not to transact in the company's securities on the basis of such information.
 - Sharing the relevant UPSI in case mandatory for performance of duties or discharge of legal information.
- ii. **"Insider"** shall include the following persons, in receipt of UPSI pursuant to a "legitimate purpose":
 - a) Partners
 - b) Collaborators
 - c) Lenders
 - d) Customers

- e) Suppliers
- f) Merchant Bankers
- g) Legal Advisors
- h) Auditors (Statutory, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
- i) Staff Members of the Audit firm/team conducting the Audit
- j) Insolvency Professionals
- k) Advisors or Consultants
- l) Bankers
- m) Any other advisors/consultants with whom UPSI is shared

All the other terms used in the Policy shall have the same meaning as assigned to them under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3) Restrictions:

Till the UPSI becomes a generally available information, UPSI can be shared with Insider only on a need-to-know basis and for legitimate purpose and due notice shall be given to the Insider to maintain confidentiality of UPSI shared for legitimate purpose.

4) Digital Database:

The Board of Directors or heads of the Company shall ensure that a structured digital database is maintained containing nature of UPSI, the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 and name of the person who has shared the UPSI along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained for prescribed period with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

5) Amendment

The Board of Directors or the Management Committee of the Company, subject to applicable laws, rules & regulations, may amend /substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.
