



**CODE OF CONDUCT FOR REGULATING, MONITORING AND TRADING BY  
INSIDERS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR  
DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION  
OF  
KAPSTON SERVICES LIMITED**

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## 1. PURPOSE

The Code is formulated to regulate, monitor and report trading by designated persons and their immediate relatives. The objective of this code is preservation of confidentiality of unpublished price sensitive information (UPSI), to prevent misuse of such information and to prohibit a designated person and his/her Immediate Relative from Trading in the Securities of Kapston Services Limited (Company). The code has been framed adopting the minimum standards for code of conduct to regulate, monitor and report Trading by designated persons and immediate relatives of designated persons as specified in Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Designated Person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Designated Person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating/ counselling others with respect to the securities of the Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.

**To achieve these objectives, the Company hereby notifies this code of conduct to be followed by all Designated Persons.**

**KAPSTON SERVICES LIMITED** (“KAPSTON/ the Company”) has formulated this Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders’ (“Code”). All the Directors, Designated Persons, officers and other connected persons of KAPSTON are governed by the Code.

The Code has been revised by the Board on February 8, 2025 and shall be effective from February 8, 2025.

All the Directors, Designated Persons, officers and connected persons of KAPSTON are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Code.

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (“UPSI”) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer, Designated Person and connected person of the Company has a duty to safeguard the confidentiality of all such UPSI obtained in the course of his or her work at the Company. No Director, Officer, Designated Officer and connected persons may use his or her position or knowledge of the Company to gain personal benefit or to

provide benefit to any third party.

The Company hereby stipulates that this code of conduct shall apply to and is to be complied by all directors, officers, Designated Persons and connected persons.

## **2. TERMS AND DEFINITIONS:**

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015 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 there under, as the case may be or in any amendment thereto.

### **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 “**Chief Investor Relations Officer**” means the Chief Financial Officer (CFO) of the Company.

2.4 “**Code**” or “**Code of Conduct**” shall mean the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosures of KAPSTON SERVICES LIMITED as amended from time to time.

2.5 “**Company**” means KAPSTON SERVICES LIMITED.

2.6 “**Compliance Officer**” means as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or as amended from time to time.

2.7 “**Connected Person**” means as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or as amended from time to time.

2.8 “**Dealing in Securities**” means an act of subscribing to, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company either as principal or agent.

2.9 “**Designated Persons**” shall include:

- (i) All Directors of the Company.
- (ii) Employees in the cadres of General Managers, Executive Presidents, Executive Vice Presidents and other employees having access to unpublished price sensitive information.
- (iii) Chief Financial Officer (CFO) and Compliance Officer of the Company.
- (iv) Heads of the Finance & Accounts Departments in Corporate Office, Hyderabad, Telangana.
- (v) All promoters of the Company.

(vi) Auditors of the Company.

(vii) Such other employees , who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, as may be identified by the board of directors in consultation with Compliance Officer.

2.10 “**Director**” means a member of the Board of directors of the Company.

2.11 “**Employee**” means every employee of the Company including the Directors in the employment of the Company.

2.12 “**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.

2.13 “**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.

2.14 “**Insider**” means any person, who is,  
i. a connected person; or  
ii. In possession of or having access to unpublished price sensitive information.  
iii. in receipt of unpublished price sensitive information pursuant to a “legitimate purpose”.

2.15 “**Key Managerial Person**” means person as defined in Section 2(51) of the Companies Act, 2013.

2.16 “**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 these regulations.

2.17 “**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.

2.18 “**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.

2.19 “**relative**” shall mean the following:

- (i) spouse of the person;
- (ii) parent of the person and parent of its spouse;
- (iii) sibling of the person and sibling of its spouse;

- (iv) child of the person and child of its spouse;
- (v) spouse of the person listed at sub-clause (iii); and
- (vi) spouse of the person listed at sub-clause (iv)

*NOTE: It is intended that the relatives of a “connected person” to become connected persons for the purpose of these regulations. **It is a rebuttable presumption that a connected person had UPSI.***

- 2.20 "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- 2.21 "**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.
- 2.22 "**Trading Day**" means a day on which the recognized stock exchanges are open for trading.
- 2.23 "**Unpublished Price Sensitive Information**" (UPSI) means as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or as amended from time to time.
- 2.24 "**Regulations**" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 2.25 "**Specified Persons**" means the Directors, connected persons, the insiders, the Designated Persons, the promoters and immediate relatives(s) who are collectively referred to as Specified Persons.

Words and expressions used and not defined in these Codes but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

### **3. ROLE OF COMPLIANCE OFFICER**

- 3.1 The Compliance Officer shall report on insider trading to the Board of directors of the Company and in particular, shall provide reports to the Chairman of the Audit committee, or to the Chairman of the Board of directors on quarterly basis or at such frequency as may be stipulated from time to time by the Board of Directors.
- 3.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (including any statutory modification and re-enactment thereof) and shall also administer the Company's Code of Conduct and other requirements under the SEBI Regulations.

The Compliance officer shall see that a robust whistle blower policy is in place and properly propagated to employees to report on instances of leak/alleged leak of UPSI.

#### **4. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

##### **4.1 Communication or procurement of unpublished price sensitive information:**

- (1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a 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 obligations.
- (2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (3) The UPSI shall be shared by any person(s) authorized by the Board of Directors of the Company in this behalf, only in furtherance of legitimate purpose(s) which shall include the following:
  - i. Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
  - ii. Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
  - iii. Sharing of UPSI for discharge of legal obligation(s).
  - iv. Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Board of the Company.
  - v. Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.  
Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.  
However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.
- (4) Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
  - i. 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 the proposed transaction is in the best interests of the Company; or
  - ii. 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 the proposed transaction 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.

However, the Board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

4.2 The Board shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared which shall contain the following information;

- (i) Name of such recipient of UPSI;
- (ii) Name of the Organization or entity to whom the recipient represent
- (iii) Postal Address and E-mail ID of such recipient
- (iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The Board shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.

4.3 Trading when in possession of unpublished price sensitive information.

- (1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information;

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

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

- (i) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of this Code and both parties had made a conscious and informed trade decision;  
Provided further that such off-market trades shall be reported by the insiders to the company within two working days. 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.
- (ii) the 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 and both parties had made a conscious and informed trade decision;



- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - (iv) 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.
  - (v) 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 the Code and the 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;
  - (vi) the trades were pursuant to a trading plan set up in accordance with the procedure hereinafter specified.
- (2) In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons.

## **5. Internal Code of Conduct to Regulate, Monitor and Report trading by Insiders:**

The Code of Conduct is formulated to regulate, monitor and report trading by Designated persons and their immediate relatives towards achieving compliance with SEBI regulations, adopting the minimum standards set out in Schedule B thereto, without diluting the provisions thereof, in any manner.

5.1 Designated persons and their immediate relatives on the basis of their functional role ("designated persons as defined in clause 2.9 of this Code") in the Company shall be governed by the following internal code of conduct.

5.2 They may execute trades subject to compliance with this Code and SEBI Regulations.

5.3 Need to know:

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated, provided or allowed access, to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of legal obligations.

- (i) “need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

Limited access to confidential information:

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

## **6. TRADING PLAN:**

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

### **6.1 Trading Plan shall:**

- i. not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
- ii. not entail overlap of any period for which another trading plan is already in existence;
- iii. 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
- iv. not entail trading in securities for market abuse.

### **6.2 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of SEBI regulations and the Codes 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.**

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

### **6.3 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 or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.~~**

6.4 However, 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.

6.5 Upon approval of the trading plan, the Compliance Officer shall notify the Plan to the stock exchanges on which the securities are listed.

## **7. TRADING WINDOW AND WINDOW CLOSURE**

7.1 A notional trading window as specified herein below shall be used as an instrument of monitoring trading by the Designated Persons:

- i. The trading period, during which trading on Stock exchanges is permitted as hereinafter provided is called "trading window";
- ii. The trading window shall be, inter alia, closed from the end of every quarter till 48 hours after the declaration of financial results.
- iii. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- iv. When the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the Company's securities in such period.
- v. All Designated Persons 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 the trading window is closed, as referred to in Point No. (ii) Above or during any other period as may be specified by the Company from time to time.
- vi. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

7.2 The Compliance Officer shall intimate the closure of trading window to all the designated Persons of the Company when he 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.

7.3 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, which shall be forty-eight hours after the information, becomes generally available.

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

All Promoters, Members of Promoter Group, Directors and Designated Persons, who intend to deal in the securities of the Company when the trading window is open and if the value of the proposed trades is above Rs. 10 Lakhs (market value), whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lakhs or such other value as may be specified; should obtain pre-clearance from the Compliance Officer for each transaction. The pre-clearance procedure shall be hereunder:

- (i) An application may be made in the prescribed Form (**Annexure 1**) to the Compliance officer indicating the estimated number of securities that the Specified Person/Designated Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by the Compliance Officer in that behalf.
- (ii) A Declaration (**Annexure 2**) shall be executed in favour of the Company by such Specified Person incorporating, *inter alia*, the following clauses, as may be applicable:
  - (a) That the Promoters, Members of Promoter Group, Directors and Designated Persons does not have any access or is not in possession of “Price Sensitive Information” up to the time of signing of the Declaration.
  - (b) That in case the Promoters, Members of Promoter Group, Directors and Designated Persons has access to or receives “Price Sensitive Information” after the signing of the Declaration but before the execution of the transaction he/she shall forthwith inform the Compliance Officer of the change in his position and that he/she shall refrain from dealing in the securities of the Company till the time such information becomes public and after a lapse of 48 hours thereof.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
- (iii) Before granting pre-clearance in form (**Annexure 3**), the Compliance Officer shall have due regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- (iv) All Promoters, Members of Promoter Group, Directors and Designated Persons shall execute their order in respect of securities of the Company within seven trading days from the date of the approval of pre-clearance. The Promoters, Members of Promoter Group, Directors and Designated Persons shall file within 2 (two) days of the execution of the deal, the details of such deal and changes in the holdings, with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed (**Annexure 4**).
- (v) If the order is not executed within seven trading days from the date the approval is given, the Promoters, Members of Promoter Group, Directors and Designated Persons must seek fresh pre-clearance of the transaction.

- (vi) All Promoters, Members of Promoter Group, Directors and Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction (shall not execute a contra trade) i.e. sell or buy any number of shares during the next six months following the prior transaction. All Promoters, Members of Promoter Group, Directors and Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case any contra trade is executed inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act. However, such restriction shall not be applicable for trades pursuant to exercise of stock options.
- (vii) The Compliance Officer may lift the ban on contra trade in case of sale/ purchase of securities for reasons to be recorded in writing provided that such relaxation does not violate the SEBI (Prohibition of Insider Trading) Regulations, 2015. However, no such sale/ purchase will be permitted when the Trading window is closed.

## **9. DISCLOSURES OF TRADING BY INSIDERS**

- 9.1 The disclosures to be made by Promoters, Members of Promoter Group, Directors and Designated Persons under this Code **shall include** those relating to trading by such immediate relatives, and by any other person for whom such person takes trading decisions.
- 9.2 The disclosures of trading in securities shall also include trading in derivatives of securities, if any permitted by law and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 9.3 The disclosures made under this Clause shall be maintained by the Company for a minimum period of five years, in such form as may be specified by SEBI;

### **9.4 Initial Disclosure**

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

### **9.5 Continual Disclosures**

- (a) Every promoter, member of promoter group, Director and 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 or such other value as may be specified by SEBI;

- (b) 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.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause 9.5(a).

#### **9.6 Disclosures by other connected persons**

The Company may, at its 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 SEBI regulations and this Code.

- 9.7 All Designated Persons shall disclose their holdings including their immediate relatives on an annual basis. (**Annexure 5**).

- 9.8 Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship as defined in the regulation.
- c) Contact numbers and email id 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.

### **10. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT**

- 10.1 Every Specified Person/Designated Person/Insider shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof applicable to his/her relatives).
- 10.2 All Insiders are requested to note that they shall give prior intimation to the Compliance Officer for dealing in the securities of the Company during the valid trading window period. If any trades are executed without any pre-clearance from / prior intimation to the Compliance officer, it will be treated as a non-compliance under the code and the same would be reported to the Audit Committee of Directors who can levy penalty or take such other appropriate action, as per the code of conduct and SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 10.3 Designated Persons/Specified Persons/Insider who violate the Code shall also be subject to disciplinary action by the Board of directors of the Company, which may include wage freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, etc.

10.4 The action by the Company shall be in addition to any action that may be taken by SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

10.5 In case it is observed by the Board of directors that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, they shall inform SEBI promptly.

## **11. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to each of the principles enunciated in Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015, in pursuance of Reg.8(1) thereof, is set out below:

The Company shall promptly intimate the Code and every amendment thereto, to the stock exchanges where its securities are listed and place it on its website.

1. There shall be 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. The Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure shall be ensured.

The disclosure of Unpublished Price Sensitive Information shall be made promptly to the Stock Exchanges where the securities are listed to ensure uniformity and prevent selectivity.

3. The CFO of the Company is designated as Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. There shall be Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Board of directors shall ensure that appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Board of directors shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Board of directors shall develop 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.

8. Handling of all “Unpublished Price Sensitive Information” on a need to know basis:

9. Corporate Disclosures:

CFO/Chief Investor Relations Officer (CIRO) shall obtain prior approval of Chairman/ Managing director/ Executive director depending upon the nature of sensitivity of the information before releasing to the Stock Exchanges.

In case of any doubt regarding release of information or understanding the nature of unpublished price sensitive information, Chief Investor Relations Officer shall consult and seek approval of the Chairman/Managing director/Executive director or such other person who are experts in the domain.

If any unpublished price sensitive information is accidentally disclosed or disclosed selectively without prior approval, the person responsible for disclosing such information, shall inform the Chairman/Managing director and Chief Investor Relations Officer immediately. On receipt of such information Chief Investor Relations Officer in consultation with Chairman/ Managing director/Executive director shall disclose the same to the stock exchanges and also get the same posted on the website of the Company so as to make such information generally available.

11.1 Responding to Market Rumours:

The directors and employees of the Company shall promptly refer any queries or requests for verification of market rumours received from the stock exchanges or from the press or media or from any other source to the Chief Investor Relations Officer. Replies to all queries or requests for verification of rumours shall be sent only after obtaining the approval of MD / Chairman.

The CFO/Chief Investor Relations Officer shall on receipt of requests as aforesaid, consult the Chairman/Managing director/Executive director and respond to the same without any delay. The replies shall be signed by such other officer as may be authorized in the absence of Compliance Officer.

The CFO/ Chief Investor Relations Officer, in consultation with the Chairman/ Managing director/ Executive director shall decide as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All the requests/queries received shall be documented and as far as practicable, the Chief Investor Relations Officer, shall request for such queries/request to be given in writing. The CIRO / Compliance Officer shall oversee corporate disclosures.

11.2 Disclosure/dissemination of unpublished price sensitive information with special reference to Analysts, Research Personnel and Institutional Investor.

The Directors, Officers, and Employees of the Company shall provide only public information to the analysts/research personnel/large investors like financial institutions, private equity etc.



In case, non-public information is proposed to be provided, by the Directors, Officers and Employees, the person proposing to provide information shall consult Chairman/Managing director or Executive director and Chief Investor Relations Officer in advance. The Chief Investor Relations Officer in consultation with the Chairman/Managing director/Executive director in such cases, shall ensure that the information provided to the analysts/research personnel/investors as above is made public simultaneously with such disclosure.

#### 11.3 Handling of unanticipated questions:

The Company shall take extreme care and caution when dealing with analysts' questions and defer issues outside the intended scope of discussion.

Chairman/Managing director/Executive director/Chief Investor Relations Officer should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on in consultation with the Board/Chairman/Managing director/Executive director, as the case may be. If answer to any question requires dissemination of Price Sensitive Information, the Chairman/Managing director/Executive director/Chief Investor Relations Officer shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded on the website of the Company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

#### 11.4 Recording of Discussions:

All the analyst, broker or Institutional Investor meetings shall be attended by Senior Company Officers who will report to the Chief Investor Relations Officer. The Chief Investor Relations Officer, in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting and the audio file is uploaded on the web site of the Company till it is substituted by the transcripts of the same.

##### Simultaneous Release of Information:

Whenever the Company proposes to organize meetings with investment analysts/institutional investors, the Company shall post relevant information on its website after every such meeting.

The Chief Investor Relations Officer in consultation with the Chairman/Managing director/Executive director shall get the text of the calls to be posted on the Company's website. Presentations shall not contain unpublished price sensitive information and the same shall be placed on the website of the Company and provided to the Stock exchanges for placing on their websites.

#### 11.5 Medium of Disclosure/dissemination of unpublished price sensitive information:

The unpublished price sensitive information filed by the Company with the Stock exchanges under the listing regulations shall also be posted on the Company's website.

11.6 Norms for installation of Chinese wall procedures to control the flow of information and to prevent the misuse of confidential information.

The following departments/units/heads are treated as separate areas for the purpose of Chinese Wall procedures;

Finance & Accounts  
Secretarial & Legal  
Admn, HR, IT  
Commercial  
Marketing/Purchases  
Subsidiaries.

The employees in the respective areas shall not communicate any price sensitive information to the other areas. In exceptional circumstances the employees in the restricted areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer.

Compliance Officer or Head of the Factory/Works or Head of the Division or any KMP alone are entitled to cross the wall.

## **12. POLICY ON DETERMINATION OF LEGITIMATE PURPOSE**

### **1. Background**

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information (‘UPSI’), it could result in an undue advantage to such persons.

The “**Policy on Determination of Legitimate Purpose**” (‘Policy’) is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, in 2018 and is part of “**Code of Fair Disclosure of Unpublished Price Sensitive Information**”. (Regulation 3(2A) and 3(2B))

### **2. Applicability**

This policy is applicable to all Insiders.

### **3. Legitimate Purpose**

“Legitimate Purpose” shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. The Company may share the UPSI if required in the interest of the

Company.

Legitimate Purpose shall interalia include sharing of UPSI on need to know basis 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. (Regulation 3(2A) and 3(2B) of the Regulations).

In following cases sharing of UPSI would be considered as legitimate purpose:

- (i) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;
- (ii) Under any proceedings or pursuant to any order of courts or tribunals;
- (iii) As part of compliance with applicable laws, regulations, rules and requirements;
- (iv) Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.
- (v) Arising out of business requirement including requirement for the purposes of promoting the business and Strategies of business. Which may requires sharing of information with Promoters and Promoters in turn with their Promoters on need to know basis.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and shall comply with the Code.

#### **4. Process for sharing UPSI**

The insider shall conduct the following steps while sharing UPSI:

- (i) Satisfy that information is UPSI and sharing is for legitimate purpose.
- (ii) Identify the persons with whom the information is to be shared.
- (iii) Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- (iv) Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
- (v) Maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

### **13. POLICY REVIEW**

The Policy shall be reviewed periodically in accordance with review of internal control and check as well as changes or any regulatory requirements from time to time.

In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.

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**ANNEXURE 1**  
**APPLICATION FOR PRE-CLEARANCE**  
*[Pursuant to Clause 8(i)]*

Date:

To,  
The Compliance Officer,  
**KAPSTON SERVICES LIMITED,**  
Hyderabad

Dear Sir,

**Application for Pre-clearance of trading in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the **Company's** Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, I seek approval to purchase / sale / subscribe \_\_\_\_\_ equity shares of the Company as per details given below:

1.	Name of the Applicant	
2.	Designation	
3.	Number of Securities held as on date	
4.	Folio No./DP ID/Client ID No.	
5.	The proposal is for	a) Purchase of Securities b) Subscription of Securities c) Sale of Securities
6.	Proposed date of dealing in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current Market Price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No./DP ID/Client ID No. where the securities will be credited/debited	

I enclose herewith the form of Declaration signed by me.

Yours faithfully.

(Signature of Designated Person)

Name:

Client Id:

Email:

Cell:



**ANNEXURE 2**  
**DECLARATION TO BE ACCOMPANIED WITH THE**  
**APPLICATION FOR PRE-CLEARANCE**  
**DECLARATION**

To,  
**KAPSTON SERVICES LIMITED**  
Hyderabad

I, \_\_\_\_\_, \_\_\_\_\_ of the Company  
residing at \_\_\_\_\_, am desirous of dealing  
in \_\_\_\_\_\* shares of the Company as mentioned in my application dated \_\_\_\_\_  
for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders) (the Code) up to the time of signing of this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this Declaration but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within one day of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 trading days from the date of approval of pre-clearance failing which I shall seek fresh pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date:

\_\_\_\_\_

\* Indicate number of shares

Signature:

Name:

Client Id:

Email Address:

Cell:

**ANNEXURE 3**  
**PRE- CLEARANCE ORDER**

To,

Name: \_\_\_\_\_

Email Address:

Designation: \_\_\_\_\_

Client Id:

Place: \_\_\_\_\_

Cell:

This is to inform you that your request for dealing in \_\_\_\_\_ (no's) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed within 7 trading days from today.

In case you do not execute the approved transaction /deal within the aforesaid period you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed format within one day from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary. You shall not execute a contra trade within 6 months from the date of your present trade.

Yours faithfully,  
For **KAPSTON SERVICES LIMITED**

COMPLIANCE OFFICER

Date: \_\_\_\_\_

Encl: Format for submission of details of transaction

#### ANNEXURE 4

### REPORT OF TRADES EXECUTED/DECISION NOT TO TRADE WITH REASONS

*[Pursuant to Clause 8(iv)]*

(To be submitted within one day of transaction / dealing in securities of the Company)

To,  
The Compliance Officer,  
**KAPSTON SERVICES LIMITED,**  
Hyderabad

Date:

I hereby inform that in furtherance of your Pre-Clearance Order dated..... for Purchase/Sale of \_\_\_\_\_Shares, I

- have not bought / sold/ subscribed any securities of the Company for the following reasons:

\_\_\_\_\_

- have bought/sold/subscribed \_\_\_\_\_securities as mentioned below on \_\_\_\_ (date)

Name of holder	No. of Securities dealt with	Bought/sold/subscribed	DP ID/Client ID/Folio No.	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. I shall not enter into a contra trade within 6 months from the previous transaction.

I submit the following details of change in holding of securities of the Company:

Name, PAN No. & address of shareholder	No. of securities held before the transaction	Receipt of allotment advice/acquisition of/sale of securities	Nature of Transaction & Quantity			Trading Member through whom the trade was executed with SEBI Registration No. of TM	Exchange on which the trade was executed
			Purchase	Sale	Others		

**Details of change in securities held by immediate relatives:**

Name, PAN No. & address of shareholder and relationship	No. of securities held before the transaction	Receipt of allotment advice/acquisition of/sale of securities	Nature of Transaction & Quantity			Trading Member through whom the trade was executed with SEBI Registration No. of TM	Exchange on which the trade was executed
			Purchase	Sale	Others		

I/We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

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

Name & Designation

Client Id:

E-mail:

Cell:



**ANNEXURE 5**  
**REPORTING HOLDINGS AS AT THE END OF EVERY YEAR**

*[Pursuant to Clause 9.7]*

To  
The Compliance Officer,  
**KAPSTON SERVICES LIMITED,**  
Hyderabad

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on ..... /OR as at 31<sup>st</sup> March/30<sup>th</sup> June/30<sup>th</sup> September/31<sup>st</sup> December, ..... [year].

**I. Details of securities held by me:**

Type of Securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

**II. Details of Immediate Relatives:**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, I hereby declare that I have the following immediate relatives:

Sr. No	Name of the Immediate Relatives	Relation with Designated Person	No. of Securities Held	Folio No.	Beneficiary A/c Client Id

Date:

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

Name:  
Client Id:  
Email:

## FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the Company : \_\_\_\_\_

ISIN of the Company : \_\_\_\_\_

### Details of securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters / KMP / Directors / immediate relatives/others etc.)	Securities held as on the date of regulation coming into force		% of Share- holding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6		7	
Note : “Securities” shall have the meaning as defined		under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading)			Regulations, 2015.			

Signature :

Designation :

Date :

Place :



# FORM C

## Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6 (2)]

Name of the Company : \_\_\_\_\_

ISIN of the Company : \_\_\_\_\_

**Details of change in holding of Securities of Promoter, Employee or Director of a listed Company and other such persons as mentioned in Regulation 6(2)**

[illegible]

Note : “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature :

Date :

Designation :

Place :