



kaveri seed company limited

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Preamble

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) is adopted by Kaveri Seed Company Limited (the "Company"). This Code is in Compliance of Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") read with Schedule A of the Regulations, as amended from time to time. The Code is also includes Policy for determination of 'legitimate purpose' in compliance with Regulation 3(2A) of the Regulations, shall be effective from 01.04.2019.

A) DEFINITIONS

- (i). "**Act**" shall mean the Companies Act, 2013 and rules made thereunder, as amended.
- (ii). "**Board**" shall mean the board of directors of the Company.
- (iii). "**Code**" means this code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information.
- (iv). "**Chief Investors Relations Officer**" means a senior officer as may be designated from time to time.
- (v). "**Company**" shall mean Kaveri Seed Company Limited.
- (vi). "**Compliance Officer**" means any senior officer, designated so and reporting to the Board and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified under the Insider Trading Regulations under the overall supervision of the Board.
- (vii). "**Designated Persons**" means:
 - 1. Directors; and
 - 2. Such Employees and Connected Persons (including representatives of the auditors, accountancy firms, law firms, analysts, consultants, etc.) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code.
- (viii). "**Insider Trading Regulations**" means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

(ix). **"Stock Exchange"** shall mean a recognised stock exchange on which the securities of the Company are listed.

(x). **"Unpublished Price Sensitive Information"** shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposal and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and

All terms used but not defined herein shall have the meaning ascribed to such term under the Insider Trading Regulations. In case of any discrepancy between the Insider Trading Regulations and the terms defined herein, the meaning as prescribed under the Insider Trading Regulations, shall prevail.

B) CODE OF PRACTICES & PROCEDURES:

1. Person responsible to deal with dissemination of Information & disclosure of Unpublished Price Sensitive Information (UPSI)

1.1. The Company has designated the Company Secretary as Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information (UPSI) to Stock Exchanges.

1.2. The CIRO shall be responsible for ensuring that the Company complies with disclosure requirements (as provided in the Code for Prevention of Insider Trading) overseeing and coordinating disclosure of Unpublished Price Sensitive Information (UPSI) to stock exchanges, analysts, investors, select shareholders, etc and educating staff on disclosure policies and procedures.

2. Prompt Public disclosure of unpublished price sensitive information (UPSI) -

2.1. UPSI that would impact price discovery shall be promptly given to stock exchanges and disseminated no sooner than credible and concrete information comes into being in order to make such information generally available.

2.2. All the information released to Stock Exchanges shall also be disseminated simultaneously on the Website of the Company "www.kaveriseeds.in".

3. Uniform and Universal Dissemination of UPSI -

Chief Investor Relations Officer shall ensure that the

3.1. Disclosure/ Dissemination of information are done through various media so as to achieve maximum reach and quick dissemination.

3.2. Disclosure/Dissemination of information made to various media is uniform and no selective disclosure is made.

- 3.3. Disclosure is made to stock exchanges prior to the said information is disclosed to the media.
- 3.4. Disclosure is made simultaneously through the website www.kaveriseeds.in
- 3.5. The information filed by the Company with Stock Exchanges under disclosure requirement is made available on the Company website.

4. Prompt disclosure of UPSI that gets disclosed selectively, inadvertently or otherwise

- 4.1. Information/disclosure to be disseminated by anyone on behalf of the Company shall be got approved in advance from the Chief Investor Relations Officer.
- 4.2. If, any information/disclosure is accidentally/inadvertently or otherwise disclosed by anyone without prior approval from Chief Investor Relation Officer, the person responsible shall immediately inform the Chief Investor Relation Officer, even if the information is not price sensitive.
- 4.3. The UPSI that gets disclosed selectively, inadvertently or otherwise must promptly be attended to and the UPSI along with necessary clarification shall be promptly disseminated and be made generally available to all concerned and by sending a copy to Stock Exchange and uploading the same on the Company's website.

5. Responding to Queries on news reports and market rumours

- 5.1. Any queries on news report or requests for verification of market rumours by stock exchanges/regulatory authorities shall be immediately forwarded by the recipient to the Chief Investor Relations Officer. The Chief Investor Relations Officer in consultation with Director and in his absence in consultation with Managing Director shall decide whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.

6. Disclosure/dissemination of unpublished Price Sensitive Information with special reference to Analysts, Institutional Investors

Whole time Director dealing with analysts and institutional investors, select shareholders, research personnel, media (hereinafter referred to as Analysts) etc. shall follow the guidelines given hereunder while dealing with them.

No UPSI shall be disclosed/ disseminated to analysts, institutional investors, select shareholders, research personnel etc. Only public information should be provided to the analysts/institutional investors, select shareholders, research personnel/ large investors like institutions. Alternatively, the information given to the analyst etc. should be simultaneously made public by informing to Stock Exchanges (through CIRO) simultaneously with providing of such information to Analyst.

For this purpose the information must be sent to CIRO before sharing the information with analysts and also ensure to put the information on Company's website.

7. Transcripts and Recording of Proceedings

7.1. In order to avoid misquoting or misrepresentation, the company's representative shall be present at meetings with Analysts and discussion should be recorded in writing and countersigned by CIRO on transcripts to be made.

7.2. The transcripts/records of proceedings shall be displayed on the website of the company to ensure official confirmation and documentation of disclosures made.

7.3. Handling of unanticipated questions

All those dealing with Analysts should be careful when dealing with their questions that raise issues outside the intended scope of discussion. Unanticipated questions should be taken on notice and a considered response be given later in consultation with Managing Director of the Company. If the answer includes Unpublished price sensitive information, a public announcement should be made before responding. All public announcement should be informed to Stock Exchanges also either simultaneously or before public announcement.

7.4. Simultaneous release of Information

Whenever a meeting with Analysts is organized, it shall be ensured that the company make an announcement and information on its website simultaneously with every such meet.

8. Handling of all unpublished price sensitive information on a "need to know" basis

Unpublished Price Sensitive Information (UPSI) is to be handled on a "need to know" basis, i.e. 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. No unpublished Price Sensitive Information (UPSI) shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. All Unpublished Price Sensitive Information (UPSI) directly received by an employee should immediately be reported to the CIRO, who in consultation with Director or in his absence MD shall decide whether a disclosure is necessary to Stock Exchanges and on Company's website.

C) POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES" FOR WHICH UPSI MAY BE COMMUNICATED OR PROCURED

1. The term "legitimate purpose" shall generally include the following:

- Sharing of UPSI in **the ordinary course of business** by an insider
 - within the Company and/or its subsidiaries,
 - with outsiders such as with collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, rating agencies, investment bankers, due diligence service providers.

for the purposes of carrying out assignment for or on behalf of and/ for the benefit of Company and for carrying on his role or function and provided that such sharing has not been carried out to evade or circumvent the prohibitions of 'Regulations'.

a) With respect to sharing of UPSI by Employees of the Company and its subsidiaries within the Company and/or its subsidiary - "legitimate purpose" shall generally include

- i) Sharing of UPSI required for the performance of duties based on the role and function of the person in the Company and/or its subsidiaries, which shall be properly documented.
- ii) Sharing of UPSI pursuant to such other function as may be assigned to the person from time to time, which shall be properly documented.

Some of the illustrative purposes for sharing UPSI, [for i & ii) above] can be

- for preparing monthly/ quarterly / annual financial results
- for preparing presentations at leadership meetings
- for preparing Board and Committee meeting agenda.
- for preparing communications to Stock Exchanges

- iii) Sharing of UPSI for discharging any legal and regulatory compliance/ obligation, which shall be properly documented and necessary approvals be taken from any one of the Key Managerial Personnel (KMP) of the Company.

Some of the illustrative purposes for sharing UPSI, [for iii above] can be-

- Sharing information pursuant to some order/ notification/ circular of any Government/judicial/ semi judicial authorities.

UPSI must be handled with utmost care and the person shall deal and share the UPSI strictly on a need-to-know basis.

b) With respect to sharing of UPSI by Employees of the Company and/or its subsidiaries with Outsiders (i.e. other than employees of the Company and its subsidiaries - like Auditors, Bankers, Consultants, etc.) - "legitimate purpose" shall generally include

- i. Sharing of UPSI required for the performance of duties based on the role and function of the person in the Company and/or its subsidiaries, which shall be properly documented.
- ii. Sharing of UPSI pursuant to such other function as may be assigned to the person from time to time, which shall be properly documented.

Some of the illustrative purposes for sharing UPSI (for i. & ii. above) can be

- Sharing of Quarterly/ Annual financial results (including that of a material subsidiary) with Statutory Auditors for audit or limited review.

- Sharing of information with legal advisors or auditors for seeking expert opinion/advise.
 - Sharing of business plans with Consultancy Firm to facilitate them to prepare long term vision/ annual budget.
 - Sharing of UPSI with Internal Auditors for internal audit purposes.
 - Sharing of financials/estimated profit with income tax department for the purpose of advance tax estimations.
 - Access of files containing UPSI and accounting software (SAP) to Information Technology consultants.
 - Sharing of UPSI with Consultants appointed for the due diligence for acquisition/merger proposals.
 - Sharing of UPSI with consultants in the ordinary course of business for any capital restructuring.
 - Sharing of information with JV partners/ merchant Bankers/ NBFC's etc., for JV transactions/ investment/ divestment, etc.,
- iii. Sharing of UPSI for discharging any legal and regulatory compliance/ obligation, which shall be properly documented and necessary approvals be taken from any one of the Key Managerial Personnel (KMP) of the Company.

Some of the illustrative purposes for sharing UPSI (for iii. above) can be

- Sharing information pursuant to some order/ notification/ circular of any Government/ judicial/ semi judicial authorities.

Provided that such sharing of UPSI has not been carried out to evade or bypass the prohibitions of Regulations.

2. Any recipient of UPSI shall be considered 'Insider'

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

3. Communication of UPSI for Legitimate Purposes

No insider shall communicate, provide, or allow access to any UPSI, relating to the company or its material subsidiaries, or its 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.

Provided further that the Insider who is sharing the UPSI shall ensure that the recipient of UPSI has been given due notice to maintain confidentiality of such UPSI in compliance with these regulations or has executed the confidentiality agreement in this regard.

Provided further that the Insider who is sharing the UPSI shall for the purpose of maintaining an audit trail, record the sharing of UPSI (including person with whom shared, type of UPSI shared, when and how shared) in such format and system provided by the Company.

4. Procurement of unpublished price sensitive information (UPSI) for Legitimate Purposes

No person shall procure from or cause the communication by any insider of UPSI, relating to the company or its material subsidiaries, or its securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

5. In case of any violation of the Policy or SEBI Regulations, the Company shall take appropriate action. In case the violation relates to leak or suspected leak of UPSI, the Company shall take appropriate action as per the Company's Policy and Procedure for Enquiry in case of Leakage of UPSI. The same shall also be updated to SEBI Board along with the enquiry conducted and result thereof. Action will also be taken against the Insider found to be guilty as per the directions of SEBI.

For more details regarding communication, procurement or sharing of any UPSI or related matters, one may refer to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Structured Digital Database

A Structured Digital Database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available. Adequate and effective system of internal controls will also be laid out to ensure the compliance of maintenance of a digital database for sharing the information for said legitimate purpose.

AMENDMENTS TO THE POLICY:

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc., on the subject as may be issued by relevant statutory authorities, from time to time. In case where any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities are not consistent with / are in addition to / are in derogation of the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.,
