

KILBURN ENGINEERING LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS {Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015}

*As revised and approved by the Board of Directors, to be effective from
May 15, 2015*

The Securities and Exchange Board of India (SEBI) has formulated the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'the Regulations'). In terms of the said Regulations, Kilburn Engineering Ltd. ("the Company") is required to frame a Code of Conduct to Regulate, Monitor and Report Trading by Insiders by adopting the minimum standards as set out in Schedule B to the Regulations.

Accordingly in supersession of the previous Code of Conduct for Prevention of Insider Trading, formulated in July 2002, the Board of Directors of the Company has formulated this Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("Code of Conduct for Insider Trading"), in accordance with the requirements of the Regulations as under :

1 Insider

For the purpose of this Code, the term 'Insider' shall

mean : (I) A Connected Person or

(II) Any Person in possession of or having access to Unpublished Price Sensitive Information

2 Connected Persons

Connected Persons shall generally include any person who is or has been, during the six months prior to the concerned act :

- Directors, Key Managerial Personnel, Specified Employees and Promoters (referred to as "Designated Persons) who may have access to Unpublished Price Sensitive Information.
- Immediate Relatives of the above- which would include Spouse, Parent, Sibling and Child of such person or spouse any of whom is financially dependent on such person or consults such person in taking decisions relating to trading on securities.

Specified Employees shall be the following:

- Employees comprising the top three tiers of the Company management and key employees in the Finance department.
- Employees as may be designated by the Company from time to time on the basis of their role/function in the Company as well as seniority/professional designation on the basis of which they may have access to Unpublished Price Sensitive Information.

Key Managerial Personnel shall mean the persons as defined under section 2(51) of the Companies Act, 2013 :

3. **Applicability**

All Designated Persons and their immediate relatives shall be governed by this Code.

4. **Compliance Officer**

The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board. In the absence of the designated/appointed Compliance Officer, the Chairman shall be authorised to appoint a person to act as the Compliance Officer in the period of absence.

5. **Unpublished Price Sensitive Information**

'Unpublished Price Sensitive Information' means any Information which relates directly or indirectly to the Company or its securities, that is not generally available and which, if published, is likely to materially affect the Price of the securities of the Company and shall ordinarily include but not restricted to Information relating to the following :

- Periodical Financial Results (quarterly, half-yearly and annual) -
- Proposals for declaration of dividends (interim or final)
- Proposals for change in capital structure
- Proposals for *mergers*, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions
- Changes in Key Managerial Personnel
- Material events in accordance with the listing agreement.

Generally available information means information that is accessible to the public on a non-Discriminatory basis.

6. **Preservation of Unpublished Price Sensitive-Information**

6.1 The Insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information until publication thereof.

6.2 **Need to know Basis and Norms for Chinese Wall Procedures**

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

The Insiders shall not communicate, provide or allow access any such Information to any person directly or indirectly except in furtherance of the Insider's legitimate purposes, performance of duties or discharge of legal obligations.

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.

6.3 Limited Access

Files containing confidential Information shall be kept secure. Computer files must have adequate security of login and pass word etc.

7. Trading Restriction & Prevention of misuse of Unpublished Price Sensitive Information

7.1 No Designated Persons and their immediate relatives shall trade in securities of the Company when in possession of Unpublished Price Sensitive Information.

Trade shall mean subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trading" shall be construed accordingly;

7.2 Trading Window

Designated Persons and their immediate relatives may executed trades in the securities of the Company only during the valid trading window and shall not trade during the period when the Trading Window is closed.

Unless otherwise specified by the Compliance Officer, the Trading Window for Dealing in

Securities of the Company shall be closed for the following purposes-

- a. financial results
- b. dividends
- c. change in capital structure
- d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions
- e. changes in key managerial personnel
- f. material events in accordance with the listing agreement.

In respect of declaration of financial results, the Trading Window shall be closed at least 7 days prior to the date of Board Meeting wherein the quarterly or annual standalone / consolidated financial results, as the case may be, are declared.

In respect of purposes other than declaration of financial results and for which a specific notice/intimation is required to be given to stock exchange, the Trading Window

shall be closed from the date on which intimation of the date of Board meeting for consideration of any such Price Sensitive Information is given to Stock Exchange.

However, if the circumstances so warrant, the time for closing the Trading Window may be increased or decreased by the Compliance Officer with the approval of Chairman / Managing Director.

The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the Information becomes generally available.

The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants *etc.*, assisting or advising the Company, as may be determined by the Company.

8. Pre-clearance of trades

8.1 When the Trading Window is open, the Designated Persons and their immediate relatives who intend to trade in the securities of the Company in excess of Rs. 10,00,000 (Rupees Ten Lakhs) in value, whether in one or a series of transactions over any calendar quarter shall require prior clearance from the Compliance Officer.

No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of Unpublished Price Sensitive Information even if the Trading Window is not closed.

8.2 The Pre -Clearance Procedure :

An application in Form -I to be made to the Compliance Officer indicating the estimate number of securities that the Designated Person and their immediate relatives intends to trade in the details of securities held in physical form as to folio no., 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 any rule made by the Company in this regard.

Each such applicant shall execute in favour of the Company, an undertaking in the enclosed proforma (Form -1) for getting the trades cleared.

The Compliance Officer shall grant approval within 2 working days from the date of receipt.

The Compliance Officer shall confidentially maintain a list as a "restricted list" as may be specified in the Regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed trade is on the basis of possession of any Unpublished Price Sensitive Information. There shall be no obligation to give reasons for any withholding of consent.

If so requested by the Compliance Officer, the Designated Persons must ensure that his stockbroker is authorised to disclose to the Company all matters relevant to his share dealings.

The Designated Persons and their dependents shall execute their transactions within one week after the pre-clearance failing which they have to pre-clear the transactions again.

9. Minimum Period for holding of Securities

A Designated Person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

10. Disclosure Responsibilities & Formats

Initial Disclosure of holdings

Every Promoter, Key Managerial Personnel and Director of the Company shall disclose (as per Form-A, as prescribed by Stock Exchange vide its SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015) his holding of securities of the Company as on May 15, 2015, to the Company within June 14, 2015.

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose (as per Form-B, as prescribed by Stock Exchange vide its SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015) his holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven (7) days of such appointment or becoming a Promoter.

Continual Disclosures of trades

Every Promoter, Employee and Director of the Company shall disclose to the Company (as per Form - C, as prescribed by Stock Exchange vide its SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015) the number of such securities acquired or disposed of within two (2) 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 Rs. 10,00,000/- (Rupees Ten Lakhs) or such other value as maybe specified;

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

11. **Penalty for contravention of Code of Conduct**

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

12. **Information to SEBI in case of violation of the Regulations**

In case it is observed by the Company that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI must be informed by the Company.

13. **Applicability of the Code to certain persons**

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly.

This Code is subject to review from time to time.

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF DIRECTOR/ EACH EMPLOYEE/ CONNECTED PERSON TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.