

**CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF
TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF
DESIGNATED PERSONS OF
KIRLOSKAR INDUSTRIES LIMITED**

Pursuant to the provisions of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has approved the following Code of Conduct for regulating, monitoring and reporting of trading by designated persons and immediate relatives of designated persons of the Company:

1. Definitions

- 1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 1.2 “**Board**” means the Board of Directors of Kirloskar Industries Limited.
- 1.3 “**Code**” or “**Code of Conduct**” shall mean this Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons of Kirloskar Industries Limited as amended from time to time.
- 1.4 “**Company**” means Kirloskar Industries Limited.
- 1.5 “**Compliance Officer**” means any Whole-time Director of the Company designated as such and / or the Company Secretary of the Company and / or such other senior officer, designated by the Board and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations (as *hereinafter defined*) and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified in the Regulations, under the overall supervision of the Board.

For the purpose of this Code, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e., balance sheet, profit and loss account, and statement of cash flows.

- 1.6 “**Connected Person**” means:
- (i) any person who is or has been, during the 6 (six) months prior to the concerned act, associated with the Company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an Employee of the Company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is

reasonably expected to allow such access.

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
- (a) an immediate Relative a Relative of Connected Persons specified in clause (i); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of the board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the board of directors or an employee of a public financial institution as defined in section 2(72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by SEBI; or
 - (i) a banker of the Company; or
 - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Relative or banker of the Company, has more than 10% (ten percent) of the holding or interest; or
 - (k) a firm or its partner or its employee in which a connected person specified in sub-clause(i) of this Clause 1.6 is also a partner; or
 - (l) a person sharing household or residence with a connected person specified in sub-clause(i) of this Clause 1.6.
- 1.7 **"Contra Trade"** shall mean any buy/sell Trade, undertaken by a Designated Person or their Immediate Relatives, within 6 (six) months of an earlier sell/buy Trade, respectively, where both the Trades have been done in open market.
- 1.8 **"Designated Persons"** shall mean the persons designated by the Board in consultation with the Compliance Officer to be covered under this Code on the basis of their role and function in the Company and the access that such role and function provides to Unpublished Price Sensitive Information in addition to seniority and professional designation from time to time and shall include:
- (i) Employees of the Company, its intermediary or fiduciary designated on the basis of their functional role or access to Unpublished Price Sensitive Information in the Company;
 - (ii) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to Unpublished Price Sensitive Information in the Company;
 - (iii) All Promoters of the Company;

- (iv) Chief Executive Officer and employees upto two-levels below the Chief Executive Officer of the Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the Company or their ability to have access to Unpublished Price Sensitive Information; and
 - (v) Any support staff of the Company, intermediary, fiduciary, who have access to Unpublished Price Sensitive Information including but not limited to secretarial staff finance staff and IT staff.
- 1.9 “**Director**” means a member of the Board of Directors of the Company.
- 1.10 “**Employee**” means every employee of the Company including the Directors in the employment of the Company.
- 1.11 “**ESOP(s) / ESARs**” means the stock option / stock option rights given to the specified Employees pursuant to Kirloskar Industries Limited Appreciation Rights Plan, 2019, (KIL ESARP 2019), or any other scheme or plan as approved by the Board from time to time, which gives the specified Employees the benefit or right to purchase or subscribe to Securities of the Company at a future date at a pre-determined price, in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014.
- 1.12 “**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.
- 1.13 “**Immediate Relative**” means a spouse, parent, sibling, and child of a person or of the spouse of such person, any of whom being either dependent financially on such person or consulting such person in taking decisions relating to Trading.
- 1.14 “**Insider**” means any person who is,
(i) a Connected Person; or
(ii) in possession of or having access to Unpublished Price Sensitive Information.
- 1.15 “**Key Managerial Personnel**” means person as defined in Section 2 (51) of the Companies Act, 2013.
- 1.16 “**Promoter**” shall have the meaning ascribed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 1.17 “**Promoter Group**” shall have the meaning ascribed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 1.18 “**Regulations**” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

- 1.19 **“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)
- 1.20 **“SEBI”** means Securities and Exchange Board of India.
- 1.21 **“Securities”** shall have the meaning ascribed to it under the Securities Contract (Regulation) Act, 1956 or any modification thereof.
- 1.22 **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 1.23 **“Trading”** means and includes subscribing, redeeming, switching, buying, selling, dealing with any Securities including by way of gift, or creation, invocation or revocation of pledge of any Securities or agreeing to subscribe, redeem, switch, buy, sell, deal in any Securities of the Company including by way of gift, or creation, invocation or revocation of pledge of any Securities, and “Trade” shall be construed accordingly. It is hereby clarified that the transfer of shares will not qualify as Trading. Hence, disclosure requirements for the same will not be required. However, the disclosure requirements shall be applicable in cases where one of the demat accounts has more than single ownership.
- 1.24 **“Trading Day”** means a day on which any of the recognized stock exchanges are open for Trading.
- 1.25 **“Trading Window”** shall have the meaning ascribed to the term in Clause 5.1 of this Code.
- 1.26 **“Unpublished Price Sensitive Information”** or **“UPSI”** means 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, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) such other information as determined by the Board of Directors / Managing Director / Executive Director / Chief Executive Officer / Chief Financial Officer of the Company, from time to time, which shall materially affect the price of Securities;

Words and expressions used and not defined in this Code but defined in the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, or the Companies

Act, 2013, and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

2. Role of Compliance Officer

- 2.1 The Board of the Company shall appoint one or more Compliance Officers (primary compliance officer and secondary compliance officer to be the acting compliance officer in the absence of the primary compliance officer) who shall be responsible for the implementation of this Code and the Regulations.
- 2.2 The Compliance Officer shall report with respect to the compliance of this Code and the Regulations, 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, at least once in a year in respect thereof.
- 2.3 The Compliance Officer shall assist all Designated Persons in addressing any clarifications regarding the Regulations and the Code.

3. Restrictions on Communication and Trading by Insiders

- 3.1 Communication or procurement of unpublished price sensitive information:
 - 3.1.1. All information shall be handled within the Company on a need-to-know basis and no UPSI related to the Company, or its Securities shall be communicated, provided or allowed access to by any Insider to any person including other Insiders, except when such communication is in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.
 - 3.1.2. The Board has formulated a policy for determination of “legitimate purpose” as a part of its “Code of Practices and Procedures for Fair Disclosure of UPSI” of the Company, formulated as per Regulation 8 of the Regulations. For the purpose of illustration, the term “legitimate purpose” shall include sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, rating agencies, stock exchanges, regulatory authorities, or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
- 3.2 Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an Insider for the purposes of the Regulations and this Code and due notice shall be given to such persons by the Compliance Officer or a non-disclosure agreement be executed with such persons, to maintain confidentiality of such UPSI in compliance with the Regulations.
- 3.3 Notwithstanding anything contained in this Code, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction:
 - which entails an obligation to make an open offer under the Takeover Regulations where the Board is of the informed opinion that the sharing of such information is in the best interests

of the Company; or
where the Board is of the informed opinion that the sharing of such information is in the best interests of the Company. The information that constitutes Unpublished Price Sensitive Information shall be disseminated to be made generally available at least 2 (two) Trading Days prior to the proposed Trade being effected in such form as the Board may determine to be adequate and fair to cover all relevant and material facts.

3.4 For the purpose of Clause 3.3. above, the Company shall execute confidentiality and non-disclosure agreements with parties with whom UPSI has been shared and such parties shall keep information so received confidential and shall not otherwise Trade in Securities of the Company when in possession of Unpublished Price Sensitive Information.

3.5 Need to Know:

3.6 “need to know” basis means that UPSI should be disclosed only to those within the Company who are required to access the UPSI to discharge any obligation or duty, contractual or otherwise for and on behalf of the Company.

Limited access to UPSI

Files, physical or electronic, containing UPSI shall be kept secure.

3.7 Trading when in possession of Unpublished Price Sensitive Information:

3.7.1. No Insider shall Trade in Securities of the Company when in possession of UPSI;
Explanation - When a person who has Traded in Securities has been in possession of UPSI, such Trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

3.7.2. Provided that the Insider may prove his innocence by demonstrating the circumstances including the following:-

- i. the Trade is an off-market *inter-se* transfer between Insiders who were in possession of the same UPSI without being in breach of Regulation 3 of the Regulations and both parties had made a conscious and informed Trade decision.
- ii. provided that such UPSI was not obtained under Regulation 3(3) of the Regulations.

Provided further that such off-market Trades shall be reported by the Insiders to the Company within 2 (two) working days in the format as prescribed by the Company or by SEBI. The Company shall notify the particulars of such Trades to the stock exchange on which the Securities of the Company are listed within 2 (two) Trading Days from receipt of the disclosure or from becoming aware of such information.

- iii. the Trade was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of Regulation 3 of the Regulations and both parties had made a conscious and informed Trade decision, provided that such UPSI was not obtained by either person under Regulation 3(3) of the Regulations;
- iv. the Trade in question was carried out pursuant to a statutory or regulatory obligation to carry out a *bona fide* transaction.
- v. the Trade in question was undertaken pursuant to the exercise of ESOPs in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- vi. in the case of non-individual Insiders:
 - the individuals who were in possession of such UPSI were different from the individuals taking Trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to Trade; and
 - appropriate and adequate arrangements were in place to ensure that the Code and the Regulations are not violated and no UPSI 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.
- vii. The Trades were pursuant to a Trading Plan set up in accordance with the procedure hereinafter specified.

3.7.3. In the case of Connected Persons, the onus of establishing that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus shall be on SEBI.

4. Trading Plan

4.1 An Insider shall be entitled to formulate a trading plan for Trading 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/her/its behalf in accordance with such plan (“**Trading Plan**”). This provision intends to give an option to persons who may be perpetually in possession of UPSI and enabling them to Trade in Securities in a compliant manner by formulation of a Trading Plan for planning trades to be executed in future. By doing so, the possession of UPSI when a Trade under a Trading Plan is actually executed would not prohibit the execution of such Trades that the Insider had pre-decided even before the UPSI came into being.

4.2 Trading Plan shall:

- (i) not entail commencement of Trading on behalf of the Insider earlier than 120 (one

hundred and twenty) calendar days¹ 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 following parameters for each trade to be executed²:

(i) either the value of trade to be effected or the number of securities to be traded;

(ii) nature of the trade;

(iii) either specific date or time period not exceeding five consecutive trading days;

(iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:

a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto 20% (twenty percent) higher than such closing price;

b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto 20% (twenty percent) lower than such closing price.

Explanation:

(i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional.

(ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.

(iii) Insider may make adjustments, with the approval of the Compliance Officer, in the number of Securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of Trading Plan and the same shall be notified on the stock exchanges on which Securities are listed.

(iv) not entail Trading in Securities for market abuse.

4.3 The Compliance Officer shall review the Trading Plan to assess whether the Trading Plan has any potential for violation of the Regulations and this Code and for this purpose the Compliance Officer 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 Trading Plan.

4.4 The pre-clearance of Trades shall not be required for a Trade executed as per an approved Trading Plan.

4.5 Trading Window norms shall not be applicable for Trades carried out in accordance with an approved Trading Plan.

4.6 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the said Trading Plan, without being entitled to either 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.

4.7 The implementation of the Trading Plan shall not be commenced, if at the time of formulation of the

Trading Plan, the Insider is in possession of any UPSI and the said UPSI has not become generally available at the time of the commencement of implementation of the Trading Plan.

- 4.8 The Compliance Officer shall approve or reject the Trading Plan within 2 (two) Trading Days of receipt of the Trading Plan. Once the Trading Plan has been approved by the Compliance Officer, the Compliance Officer shall notify the Trading Plan to the stock exchanges on which the Securities of the Company are listed, on the day of approval.
- 4.9 If the Insider has set a price limit for a Trade under Clause 4.2.3(iv) above, the Insider shall execute the Trade only if the execution price of the Security is within such limit. If price of the Security is outside the price limit set by the Insider, the Trade shall not be executed.

Explanation: In case of non-implementation (full/partial) of Trading Plan due to either reasons enumerated in Clause 4.7 above or failure of execution of Trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

- 4.9.1 The Insider shall intimate non-implementation (full/partial) of Trading Plan to the Compliance Officer within 2 (two) Trading Days of end of tenure of the Trading Plan with reasons thereof and supporting documents, if any.
- 4.9.2 Upon receipt of information from the Insider, the Compliance Officer, shall place such information along with his recommendation to accept or reject the submissions of the Insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was *bona fide* or not.
- 4.9.3 The decision of the Audit Committee shall be notified by the Compliance Officer on the same day to the stock exchanges on which the Securities are listed.
- 4.9.4 In case the Audit Committee does not accept the submissions made by the Insider, then the Compliance Officer shall take action as per the Code of Conduct.
- 4.10 Contra Trade is not allowed within the duration of the Trading Plan.

5 Trading Window and Window Closure

- 5.1 Designated Persons may execute Trades subject to compliance with the Regulations and this Code. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the Designated Persons (“**Trading Window**”).
- 5.2 The Trading Window will be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such Securities of the Company to which such UPSI relates. Designated Persons and their Immediate Relatives shall not Trade in Securities when the Trading Window is closed.

- 5.3 The Compliance Officer shall intimate the closure of the Trading Window to the Designated Persons and the Immediate Relatives of the Designated Persons (through the Designated Persons).
- 5.4 Trading restriction period shall be made applicable from the first day immediately after the end of every quarter for which results are to be announced till 48 (forty eight) hours after the declaration of financial results.
- 5.5 The gap between clearance of accounts by the audit committee of the Company and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- 5.6 The Compliance Officer after taking into account various factors including the UPSI 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 in any event shall not be earlier than 48 (forty-eight) hours after the UPSI becomes generally available.
- 5.7 The Trading Window restrictions mentioned above shall not apply in respect of:
- 5.7.1 transactions specified in clauses (i) to (iv) and (vi) of Clause 3.7.2 of this Code or in clauses (i), to (iv) and (vi) of the proviso to Regulation 4(1) of the Regulations and in respect of a pledge of shares for a *bona-fide* purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with any other regulations made by SEBI;
- 5.7.2 transactions which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.
- 5.8 **Grant of ESOPs during Trading Window closure:** Grant of ESOP refers to a right but not an obligation to acquire the Securities of the Company as and when the options are vested and correspondingly exercised by the Employees. Hence, grant of ESOPs *per se* is not Trading and accordingly can be made during Trading Window closure.

Pre-clearance of Trades

- 6.3 Any Trading by Designated Persons when the Trading Window is open shall be subject to pre-clearance by the Compliance Officer.
- 6.4 The procedure for obtaining pre-clearance of Trades shall be as follows:
- 6.2.1. An application shall be made in the prescribed form under **Annexure 1** hereto to the Compliance Officer indicating the estimated number of Securities that the Designated Person intends to Trade, the details as to the depository with which he

/ she 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 behalf or any applicable law.

6.2.2. The application under **Annexure 1** shall be accompanied by an undertaking as per the format prescribed in **Annexure 2** executed in favour of the Company by such Designated Person *inter alia*, states the following undertakings, as applicable:

- i. That the Designated Person does not have any access or has not received any “Unpublished Price Sensitive Information” up to the time of signing of the said undertaking.
- ii. That in case the Designated Person has access to or receives any “Unpublished Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction for which pre-clearance is sought, the Designated Person shall inform the Compliance Officer of the change in his / her position and that the Designated Person shall completely refrain from Trading till the time such UPSI becomes public.
- iii. That the Designated Person has not contravened the Code as notified by the Company from time to time and any amendments thereto.
- iv. That the Designated Person has made a full and true disclosure in respect of the matter.

6.2.3. The Compliance Officer shall convey his / her decision on the pre-clearance application in the prescribed form under **Annexure 3** hereto.

6.2.4. Once a pre-clearance has been granted by the Compliance Officer, the Designated Person shall execute the Trade within a period of 7 (seven) Trading Days from the date of grant of approval of pre-clearance by the Compliance Officer or such other shorter period as mentioned in the pre-clearance approval by the Compliance Officer, failing which fresh pre-clearance would be needed for the Trade to be executed.

6.2.5. The Designated Person shall file within 2 (two) Trading Days of the execution of the approved Trade, the details of such Trade with the Compliance Officer in the format prescribed in **Annexure 4**. In case the Trade is not undertaken during the pre-clearance period mentioned in the pre-clearance approval, a report to that effect shall also be filed within 2 (two) Trading Days from the end of the pre-clearance period in the format prescribed in **Annexure 4**.

If the Trade is not executed within the stipulated period after the approval is given, the Designated Person will require a fresh pre-clearance in respect of the said Trade.

6.2.6. Further, any earlier pre-clearance for a Trade obtained when the Trading Window was open and not implemented prior to the closure of the Trading Window, shall be invalid once the Trading Window is closed and the Designated Person will require a fresh pre-clearance in respect of the said Trade.

6.2.7. No Designated Persons / Immediate Relatives of Designated Person shall be permitted to enter into a Contra Trade during the next 6 (six) months following the pre-cleared Trade. In case any Contra Trade is executed, inadvertently or otherwise, in violation of the aforesaid restriction, the profits from such Contra 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. In respect of ESOPs, any subscribing, exercising and subsequent Trade of Securities, so acquired by exercising ESOPs, shall not be considered to be a Contra Trade. Further, if the ESOPs are sold in multiple Trades, it will not be considered to be a Contra Trade.

6.2.8. Pre-clearance in respect of ESOPs:

- i. The provisions of Clause 6.2.8 shall not be applicable for Trades pursuant to exercise of ESOPs.
- ii. Only exercising of ESOP is exempted from taking pre-clearance. Other provisions of this Code and the Regulations shall apply to the Trade of Securities so acquired through exercising ESOPs.

6.2.9. The Compliance Officer may if approved by the Board, grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations or this Code.

6.2.10. In case of more than one Compliance Officers appointed by the Board of the Company, pre-clearance of the Trade of one Compliance Officer shall be done by the other Compliance Officer, as authorised by the Board of the Company.

7 Chinese Wall

7.1. To prevent the united disclosure or otherwise misuse of UPSI, the Company should adopt a “Chinese Wall” policy, which segregates UPSI through appropriate physical and/or technology barriers. The Insiders in possession of the UPSI shall be considered as within the Chinese Wall and be prevented from communicating in any manner such UPSI to those outside the Chinese walls unless authorised by the Compliance Officer on a “need to know” basis.

7.2. The Compliance Officer shall report to the Chairman of the Audit Committee of the Board of the Company from time to time any known misuse of UPSI by any Employee or Designated Person of the Company.

7.3. In the event it has been informed to the Audit Committee of the Board of Directors of the Company that any Designated Person or Employee has contravened the aforesaid provisions, the Compliance Officer under the instructions of the Managing Director shall take such actions in this regard in accordance with this Code and the Regulations.

8 Other Conditions

8.1. The disclosures to be made by any person under this Code shall include those relating to Trading

by such person's Immediate Relatives, and by any other person for whom such person takes Trading decisions.

- 8.2. The disclosures of Trading shall also include Trading in derivatives of Securities and the Traded value of the derivatives shall be taken into account for purposes of this Code, provided that trading in derivatives of Securities is permitted by any law for the time being in force.
- 8.3. The disclosures made under this Code shall be maintained for a minimum period of 5 (five) years.

9 Reporting requirements for Trading in Securities

9.1. Initial Disclosures for Trades in Securities

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 shall disclose his / her holding of Securities of the Company as on the date of appointment or becoming a Promoter or a member of the Promoter Group, to the Company including holdings of their Immediate Relatives, in the prescribed **Form B**, within 7 (seven) days of such appointment or becoming a Promoter or a member of the Promoter Group.

9.2. Continual Disclosure

Every Promoter or member of the Promoter Group, Designated Person and Director of the Company shall disclose to the Company, the number of Securities acquired or disposed of, within 2 (two) Trading Days of such Trade, 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 INR 10,00,000 (Indian Rupees Ten Lakh Only). The disclosure shall be made in the format prescribed under **Form C** hereto and shall be made within 2 (two) working days of:

- (a) the receipt of intimation of allotment of Securities, or
- (b) the acquisition or sale of Securities or voting rights, as the case may be.

- 9.3. **Disclosure by the Company to the stock exchange(s):** The Company shall notify the particulars of such Trading as disclosed under Clause 9.2 above, to the stock exchanges on which the Securities are listed, within 2 (two) Trading Days of receipt of the disclosure or from becoming aware of such information. It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in Clause 9.2 above. The said disclosure shall be made in such form and such manner as maybe specified by SEBI from time to time.

- 9.4. All Designated Persons shall be required to send annual disclosures in the format prescribed under **Annexure 5** setting out details of the Securities held by them and their Immediate Relatives, in the Company. Further, under the said disclosure, the 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, and the phone, mobile / cell

numbers which are used by them, on an annual basis and as and when the information changes, in the manner as prescribed in **Annexure 5:**

- a) Immediate Relatives of the said Designated Person;
- b) persons with whom such Designated Person(s) shares a material financial relationship¹;

The aforesaid disclosures shall be submitted by April 30 of every year.

9.5 All Connected Persons shall be required to submit annual disclosures in the format prescribed under **Annexure 6** setting out the details of the Securities held by them and their relatives, in the Company.

9.6 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 Transmission of Securities

This Code is applicable on the transmission of Securities. However, the transmission of Securities is exempted from provisions of trading window closure, pre-clearance and contra-trade, but the norms relating to disclosure requirements shall be applicable to the transmission of Securities.

11 Other terms in respect of Contra Trade clarified under SEBI FAQs dated March 31, 2023

- 11.1. Any derivative contract that is physically settled on expiry shall not be considered to be a Contra Trade. However, closing the contract before expiry (i.e. cash settled contract) would mean taking contra position. Trading in index futures or such other derivatives where the scrip is part of such derivatives, need not be reported.
- 11.2. Any acquisition of Securities by way of rights issue, follow-on public offer, offer for sale, bonus issue, share split, merger/ amalgamation, demerger, would not attract restriction of 'Contra Trade', provided the initial transaction of disposal was completed in accordance with this Code.
- 11.3. Similarly, any disposal of Securities by way of buy-back, open offer, exit offer, merger/ amalgamation etc. would not attract restriction of 'Contra Trade', provided the initial transaction of the acquisition was completed in accordance with this Code.

¹ "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding 12 (twelve) months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm's length transactions.

- 11.4. If the initial transaction is an acquisition by way of rights issue, follow-on public offer, offer for sale, bonus issue, share split, merger/ amalgamation, demerger, then subsequent disposal of Securities within 6 (six) months from the date of initial transaction would be considered as a Contra Trade. Similarly, if the Securities are disposed through buy-back or open offer, then subsequent acquisition of Securities within 6 (six) months from the date of the initial transaction would be considered as a Contra Trade.

However, for the transactions involving merger/ amalgamation, demerger, bonus and split, the period of 6 (six) months shall be calculated as under:

- a) Merger/amalgamation – For Securities received subsequent to a merger/amalgamation, period of 6 (six) months is to be calculated from the date of acquisition of securities of the entity(ies), which were merged/amalgamated.

However, if an unlisted entity gets merged/amalgamated with the listed entity, the employees of the unlisted entity who are now the Designated Persons of the listed entity as a result of merger/ amalgamation, the period of six (6) months for such Designated persons shall be counted from the first transaction in the entity, post-merger/ amalgamation.

- b) Demerger - For Securities received subsequent to a demerger, period of 6 (six) months is to be calculated from the date of acquisition of the Securities of the entity, which was demerged.
- c) Bonus and share split – For securities received subsequent to bonus or share split, 6 (six) months to be calculated from the date of acquisition of original securities, on which bonus/split shares were received.

- 11.5. Contra Trade restrictions as provided for herein shall be applicable to the Designated Persons and their Immediate Relatives and any other persons who are required to handle UPSI in the course of their business operation.

- 11.6. The restriction to engage in Contra Trade shall be applicable to all the Securities held under the PAN of the Designated Person, irrespective of the capacities in which such Designated Person holds such Securities in the Company, such as in personal capacity, in the capacity of a trustee, in the capacity of an executor of a Will, etc.

- 11.7. Contra Trade restrictions are applicable on each and every Trade irrespective of whether the Trades are below or above the threshold limit of pre-clearance.

12 Penalty for contravention of the Code

- 12.1. Every Designated Person / Immediate Relatives of Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

- 12.2. Without prejudice to the power of SEBI under the Act, any Designated Persons who violate or contravene the Code shall be subject to actions including disciplinary action by the Board of Directors of the Company, which may include but shall not be limited to wage freeze, suspension, penalties, recovery, ineligibility for future participation in the Company's ESOPs, as determined by the Board of Directors of the Company.
- 12.3. In case of a violation of any provisions of the Regulations and/ or this Code, such a violation shall promptly be informed by the Company to the stock exchange(s) where the concerned Securities are Traded, in such form and such manner as may be specified by SEBI from time to time.
- 12.4. Any amount collected under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

**For and on behalf of the Board of Directors of
Kirloskar Industries Limited**



**Atul Kirloskar
Chairman**



Place: Pune

Date : 10 February 2025

ANNEXURE 1
FORMAT OF APPLICATION FOR PRE-DEALING APPROVAL/PRE-CLEARANCE PURSUANT TO CLAUSE 6.2.1 OF THE CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS ("CODE OF CONDUCT")

Date:

To,
The Compliance Officer,
Kirloskar Industries Limited,
[insert address],
Pune, Maharashtra.

Subject: Application for pre-dealing approval in the Securities of the Company.

Dear Sir/Madam,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct**, I seek approval to purchase / sale / subscription of _____ equity shares of the Company as per details given below:

1.	Name of the applicant	
2.	PAN	
3.	Designation	
4.	Depository and Folio No. / DP ID / Client ID No.	
5.	Number of Securities held as on date	
6.	The pre-clearance is sought for	1. Purchase of Securities [insert type of securities] 2. Subscription of Securities [insert type of securities] 3. Sale of Securities [insert type of securities]
7.	Estimated number of Securities [insert type of securities] proposed to be acquired / subscribed / sold	
8.	Price per security [insert type of securities]	
9.	Whether the proposed Trade will be through stock exchange or off-market deal	
10.	Any other information	

I enclose herewith, an Undertaking dated [insert date] signed by me, in respect of my aforesaid pre-clearance application. Capitalised terms used herein but not defined herein shall have the same meaning as ascribed to the terms in the Code of Conduct.

Yours faithfully,

Signature of Applicant
[Name of the Applicant]

ANNEXURE 2

FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-DEALING APPROVAL/PRE-CLEARANCE PURSUANT TO CLAUSE 6.2.2 OF THE CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS ("CODE OF CONDUCT")

UNDERTAKING

Date:

To,
The Compliance Officer
Kirloskar Industries Limited, [insert
address], Pune, Maharashtra.

I, [insert name], [insert designation], being a Designated Person in terms of the Code of Conduct of the Company, residing at [insert address], am desirous of Trading in [insert number and type]* shares of the Company as mentioned in my application dated [insert date] for pre-clearance of the said Trade.

I further declare that I am not in possession of any Unpublished Price Sensitive Information up to the date of this Undertaking.

In the event that I have access to, or I receive any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code of Conduct, after issuing of this Undertaking but before executing the Trade for which the approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from Trading until such UPSI becomes public.

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

I undertake to submit the necessary report within 2 (two) days of execution of the Trade / a 'Nil' report if the Trade is not undertaken.

If a pre-clearance approval is granted by the Company Secretary in respect of the subject Trade, I shall execute the Trade within [7 (seven) Trading Days of the receipt of the said approval or such other shorter period as mentioned in the approval], failing which I shall once again seek pre-clearance prior to executing the said Trade.

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

Capitalised terms used herein but not defined herein shall have the same meaning as ascribed to the terms in the Code of the Conduct.

Date :

Signature : _____

* Indicate number of shares

ANNEXURE 3

FORMAT OF PRE- CLEARANCE APPROVAL BY THE COMPLIANCE OFFICER

To,
Name : _____
Designation : _____
Place : _____
Email: _____

This is to inform you that your request for Trading in [*insert number and type of shares*] of the Company as per terms mentioned in your application dated [*insert date*] is [*approved/rejected on account of _____*].

[Please note that the said Trade shall be completed on or before [*insert date*] i.e., within [*insert number of days*] days from the date of this letter.]

[In case you do not execute the approved Trade on or before the aforesaid date, the said approval shall be deemed to be lapsed and you shall be required to seek a fresh pre-clearance before executing the said Trade. Further, you are required to file the details of the executed Trades in the attached format within 2 days from the date of Trade. In case the Trade is not undertaken a 'Nil' report shall be provided to the Company. You shall not execute a Contra Trade within 6 (six) months from the date of your present Trade, except in case of ESOPs, as specified in the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons ("**Code of Conduct**").]

Capitalised terms used herein but not defined herein shall have the same meaning as ascribed to the terms in the Code of the Conduct.

Yours faithfully,
for **KIRLOSKAR INDUSTRIES LIMITED**

COMPLIANCE OFFICER

Date: _____

Encl: Format for reporting of details of Trade or decision not to Trade after securing pre-clearance.

ANNEXURE 4

FORMAT FOR DISCLOSURE/REPORTING OF TRADES EXECUTED OR DECISION NOT TO TRADE AFTER SECURING PRE-CLEARANCE

To,
The Compliance Officer,
Kirloskar Industries Limited, [insert
address], Pune, Maharashtra.

I hereby inform that in furtherance of your Pre-Clearance approval dated [insert date] for Purchase/
Sale of [insert number of shares], I

- have not bought / sold/ subscribed any securities of the Company for the following reasons:
[insert reasons] OR
- have bought / sold / subscribed to [insert number of shares] Securities on [insert date], as
mentioned below:

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

I agree to hold the above Securities for a minimum period of 6 (six) months in accordance with the provisions of the Company's Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons ("**Code of Conduct**"). In case there is any urgent need to sell these Securities within the said period, I shall approach the Compliance Officer for necessary approval in accordance with the Code of Conduct. (*applicable in case of purchase / subscription*).

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

Capitalised terms used herein but not defined herein shall have the same meaning as ascribed to the terms in the Code of the Conduct.

Date : _____
Name :

Signature : _____

Designated Person:

ANNEXURE 5

INFORMATION PURSUANT TO CLAUSE 9.4 OF THE CODE FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS ("CODE OF CONDUCT") TO BE SUBMITTED BY APRIL 15 ANNUALLY

Name of the Designated Person:

Department :

Permanent Account Number (PAN):

Educational Institution from which Designated Person has graduated:

Names of Past Employers of the Designated Person:

No. of shares held by me and my Immediate Relatives in the Company as on [*insert date*] are as under:

Sr. No.	Relationship	Name	PAN	Phone/mobile / cell number	Dependent (Yes / No)	No. of Securities held in the Company	Type of Securities held in the Company
A	Self						
B	Members of Hindu Undivided Family						
C	Immediate Relatives*						
1	[Spouse]						
2	[Child]						
D	Persons with whom Designated Person shares a material financial relationship**						

*"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.

** "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding 12 (twelve) months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm's length transactions.

Signature

Name:

ANNEXURE 6

INFORMATION PURSUANT TO CLAUSE 9.5 OF THE CODE FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS AND IMMEDIATE RELATIVES OF DESIGNATED PERSONS ("CODE OF CONDUCT") TO BE SUBMITTED BY APRIL 15 ANNUALLY

Name of the Connected Person:

Department :

Permanent Account Number (PAN):

No. of shares held by me and my Relatives in the Company as on [insert date] are as under:

Sr. No.	Relationship	Name	PAN	Phone/ mobile / cell number	No. of Securities held in the Company	Type of Securities held in the Company
A	Self					
B	Members of Hindu Undivided Family					
C	Relative					
(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 at sub-clause(iii) and					
(vi)	Spouse of the person listed at sub-clause (iv)					
D	A firm or its partner or its employee in which a connected person is also a partner					
E	A person sharing or residence with a connected person					

Signature:

Name:

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") [Regulation 7(1) (b) read with Regulation 6(2) – Disclosure on becoming a Director / Key Managerial Personnel / Promoter/Member of Promoter Group]

Name of the Company: _____

ISIN of the Company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or a member of the Promoter Group of the Company and Immediate Relatives of such persons and by other such persons as mentioned in Regulation 6(2) of the Regulations.

Name, PAN No., CIN / DIN & address with contact nos.	Category of person (Promoters / or a member of the Promoter Group / KMP / Directors / Immediate Relatives / others etc.)	Date of appointment of Director / KMP or Date of becoming Promoter or a member of the Promoter Group	Securities held at the time of becoming Promoter or member of the Promoter Group / appointment of Director / KMP	% of shareholding
1	2	3	4	5
			Type of security (for eg. – Shares, Warrants, Convertible Debentures, Rights, Entitlements etc.	6
			No.	

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

Details of Open Interest (OI) in derivatives of the Securities of the Company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or a member of the Promoter Group of the Company and other such persons as mentioned in Regulations 6(2) of the Regulations.

Open interest of the Future Contracts held at the time of appointment of Director/KMP or upon becoming a Promoter/member of the Promoter Group	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
7		8	9	10	11
				12	

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name and Signature: _____

Designation: _____

Date: Place: _____

read with Regulation 6(2) of the Regulations]

Name of the Company: _____

ISIN of the Company: _____

Details of change in holding of Securities of Promoter, members of the Promoter Group, Designated Persons or Director of the Company and other such persons as mentioned in Regulation 6(2) of the Regulations.

Name, PAN No., CIN / address & contact nos.	Category of person (Promoters / member of the Promoter Group / Designated Person / Directors / Immediate Relatives/ others etc.)	Securities held prior to acquisition / disposal	Securities acquired / Disposed	% shareholding		Date of allotment / advice acquisition of shares / sale of Shares, specify	Date of intimation to Company	Mode of acquisition/disposal (market purchase / Public/ rights / preferential offer / off-market / Inter-se transfer, ESOPs etc.	Trading in derivatives (Specify type of contract, Futures or Options etc. and Specify contract specifications)			Exchange on which the trade was executed						
				Pre transaction	Post transaction				Buy	Sell	Notional Value		Number of units (contract size)	Number of units (contract size)				
1		Type of security (for eg. - Shares, Warrants, Convertible Debentures, Rights, Entitlements etc.	Type of security (For eg. - Shares, Warrants, Convertible Debenture, Rights, Entitlements etc.	No.	Value	Transaction type (Purchase/Sale/Pledge/revocation/others -- please specify)	From	To	15	16	17	18	19					
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
(ii) Value of transaction excludes taxes/brokerage/any other charges.

Signature:
 Designation:
 Date:
 Place: