

## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

### 1. Introduction: This code aims to define and establish:

- Prevention of Insider trading of Securities
- Maintenance of confidentiality of price sensitive information
- Adherence to Securities and Exchange Board of India's (SEBI) applicable guidelines by all connected persons including Director, Officer, and designated person for prevention of Insider Trading.

### 2. Objective

To elucidate and inform to all connected or any deemed connected persons to the Company, that, they have the responsibility and duty to preserve the confidentiality of all price sensitive information obtained in the course of his or her day to day operations and association with the company.

### 3. Definitions:

**"Company"** means KMC Speciality Hospitals (India) Limited.

**"Compliance Officer"** means Company Secretary or any other senior officer, who may be designated as 'Compliance Officer' for this purpose and who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so by the Board and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, educating the employees, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

**"Connected Person"** means any person who

- i. is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity 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 between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- i. 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 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
  - e. an employee or director thereof; or
  - f. an official of a stock exchange or of clearing house or corporation; or
  - g. a member of 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
  - h. 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
  - i. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - j. a banker of the company; or
  - k. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

**“Designated Persons”** shall include:

- (i) Director / Officer / Employee include all employees from the level of Manager and above;
- (ii) All employees in the Finance, Accounts and Secretarial Department by whatever designations they are called and
- (iii) Such employees as designated and notified by the Compliance Officer from time to time with the approval of any Whole Time Director.
- (iv) Other Connected persons such as Auditors, Practicing Company Secretary, Accountancy firms, Law firms, Analysts, Consultants and any other person having professional or business relationship with the Company, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

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

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

**“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.

**"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

**"Trading or Trade"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

**"Insider"** means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

**“Trading Day”** means a day on which the recognized stock exchanges are open for trading;

**"Unpublished Price Sensitive Information"** 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, delisting, disposals and expansion of business and such other transactions;
- (v) Changes in key managerial personnel; and
- (vi) Material events in accordance with the listing agreement

**“Insider Trading”** means when insiders use unpublished price sensitive information to arrive at securities trading/dealing (including buying as well as selling) decisions, the action is referred to as insider trading.

## 1. **Compliance Officer**

The Compliance Officer shall be responsible for:

- Setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”
- pre-clearing; of designated persons’ and their dependents’ trades (directly or through respective department heads as may be decided)
- Monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the company.

- Shall maintain a record of the designated persons and any changes made in the list of designated persons.
- Shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the company's code of conduct.
- 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 once in every Quarter.

## **2. Preservation of "Unpublished Price Sensitive Information"**

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

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- i. 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 attracting 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.

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.

### **b. Need to Know:**

- (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.

c. Limited access to confidential information

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

3. **Prohibition on dealing, communication or counseling on matters relating to insider trading:**

No insider when in possession of unpublished price sensitive information shall:

- Either on his behalf or on behalf of any other person trade in securities of the company;
- Communicate or counsel directly or indirectly, any unpublished price sensitive information to/from any person.

**Chinese Wall – Norms & Processes :**

The Company shall adapt the following Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”;

- a. Physical separation of departments to insulate them from each other;
- b. Strict and carefully defined procedures for dealing with situations where it is thought that the wall should be crossed, and maintaining of proper records where that occurs;
- c. Monitoring by Compliance Officer of the effectiveness of the Chinese wall; and
- d. Disciplinary sanctions where there has been a breach of the wall.

4. Trading Plan

- a. 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 behalf in accordance with such plan.

**b. Trading Plan shall:**

- i. not entail commencement of trading on behalf of the insider **earlier than six months** from the public disclosure of the plan;
- ii. not entail trading for the period between the 20<sup>th</sup> day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;

- v. 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
    - vi. not entail trading in securities for market abuse
  - c. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.
  - d. 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.
  - e. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.
  - f. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed
5. Restrictions and procedures for Directors, Officers and designated persons while dealing in company securities
- a) All Directors, officers and designated persons shall conduct all their dealings in the securities of the company only within a valid trading window within the threshold limit prescribed hereunder and not during prohibited period.
    - Valid trading window means a period other than prohibited period.
    - **Prohibited period means :**
      - Period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after such financial results is made public
      - Such other period as may be specified by the Compliance Officer from time to time in consultation with any Whole Time Director.

- 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.
- 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.
- The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he / she determines that a designated persons 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
- 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, however in any event it shall not be earlier than two trading days after the information becomes generally available.

b) Pre-Clearance of trading in securities of the Company

- All Directors, Officers and Designated Persons and their immediate relatives who intend to trade in Securities of the Company exceeding 10,000 shares in aggregate per calendar month, shall pre-clear the transactions as per the pre-dealing procedure as described hereunder:
- 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.
- The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.

c) Procedure for Pre-Clearance of Trade

- An application in writing or by way of an email communication at [companysecretary@kauveryhospital.com](mailto:companysecretary@kauveryhospital.com), for pre-clearance of trade shall be made. The application shall also be accompanied by a undertaking as per the prescribed format in ‘Form 3A’ with the following details:
  - That the concerned person do not have any access or has not received any “Unpublished Price Sensitive Information” up to the signing of the undertaking.

- That in case the concerned person has access to or receives “Price Sensitive Information” after the signing of undertaking but before the execution of transaction, the concerned person should immediately inform the compliance officer and would completely refrain from dealing in the securities of the Company till the information become public.
  - That the concerned person has not contravened the policy of the company for prevention of Insider Trading as notified from time to time.
  - The Concerned person has made a full disclosure in the matter.
- The application for pre-clearance shall be approved by the Compliance Officer within one working day. Any rejection of permission shall be communicated to the concerned applicant forthwith.
  - The concerned person, if decides not to trade after securing pre-clearance, the same shall be reported to the Company in writing the reasons for such decisions.
  - The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate

d) Validity of pre-clearance period

Directors, officers and designated persons shall execute their orders in respect of securities of the Company within 7 trading days after the approval of pre-clearance is given. If the order is not executed within one week after the approval of pre-clearance is given, the concerned person must get the pre-clearance of transaction again.

e) Holding period of Securities

All Directors, Officers and Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e., sell or buy any number of shares within six months following a prior transaction.

In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard provided that such relaxation does not violate these regulations.

In case a contra trade be 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act

f) Restriction on derivative transaction

All Directors, Officers and Designated Persons shall not take position in derivative transaction in the shares of the Company at any time.

## 6. Reporting Requirements for transactions in securities

All directors/officers/designated persons of the listed company shall be required to forward following details as applicable, of their securities transactions including the statement of dependent family members to the Compliance Officer:

- a) Every promoter/ Key Managerial Personnel / Director / Officers / Designated Persons of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members.
- b) Every person on appointment as a key managerial personnel or a director or designated person of the Company or upon becoming a promoter 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 promoter.
- c) Every promoter, employee and director of the Company and other designated persons 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 Rs. Ten lakhs.

The disclosure shall be and made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
  - (b) the acquisition or sale of shares or voting rights, as the case may be.
- d) Within 2 days of the receipt of intimation under Clause (c), the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
  - e) The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated persons for a minimum period of five years.
  - f) Quarterly / Annual Disclosures of the number of Shares and other securities held as at end of each quarter / year end on March 31<sup>st</sup> of each year.
  - g) The Compliance Officer shall place before the Managing Director/Chief Executive Officer or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by employees, director and officer of the company and the accompanying documents that such persons had complied with the relevant provisions of the code.

## **7. Contravention of code of conduct**

- a. Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the company. The action can be like sanctions and disciplinary actions, including wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.,
- b. Employees/officers/directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company. In case it is observed by the company/Compliance Officer that there has been a Violation of SEBI (Prohibition of Insider Trading) Regulations, 2015. SEBI shall be informed promptly about the contravention by the company.
- c. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015

Annexure 1

APPLICATION FOR PRE-TRADING APPROVAL

To,

The Compliance Officer,  
KMC Speciality Hospitals (India) Limited  
6, Royal Road, Cantonment  
Trichy 620 001

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / 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 to securities (c) Sale of securities	
6.	Proposed date of trading in securities	
7.	Estimated number of securities proposed to be purchased/subscribed/sold	
8.	Current market price (as on date of application)	
9.	Whether the proposed transaction will be through stock exchange or off-market trade	
10.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the Undertaking signed by me.

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

Date :

Annexure 2

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRECLEARANCE

To,

The Compliance Officer,  
KMC Speciality Hospitals (India) Limited  
6, Royal Road, Cantonment  
Trichy 620 001

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of trading in equity 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 any unpublished price sensitive information up to the time of signing this Undertaking. In the event that I have access to or receive any unpublished price sensitive information after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes public.

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

In the event of this transaction being in violation of the Rules or the applicable laws, (a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons, (b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and (c) I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

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

If approval is granted, I shall execute the trade within seven days of the receipt of approval failing which I shall seek pre-clearance afresh.

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

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

Date :