

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

LEGAL FRAMEWORK

The Regulation 8(1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) mandates every listed Company to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

In this regard, Board of Directors of KLG Capital Services Limited (“KLG/Company”) has laid down this Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (“the Code”) for adoption.

DEFINITIONS

1. **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
2. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.
3. **“Code”** means this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
4. **“Compliance Officer”** means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.
5. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.

6. "Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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) Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. The Company shall ensure prompt public disclosure of the unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Company Secretary/Chief Financial Officer/Compliance Officer of the Company shall be designated as Chief Investor Relations Officer (CIRO) of the Company to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall ensure prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.

7. The Company shall develop best practices to make transcripts or records of proceedings of Meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall handle all the unpublished price sensitive information on a need-to-know basis.

PROMPT DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

(i) KLG will ensure that any event which has a bearing on the share price of the Company shall be disseminated promptly upon the conclusion of the event, by communicating the same to the stock exchanges in accordance with the PIT Regulations.

(ii) To ensure that information is disseminate in a uniform manner, KLG will transmit the information to all the stock exchanges where the securities of the Company are listed, at the same time and shall also publish the same on the website of the Company viz. www.klgcapital.com.

RESPONDING TO MARKET RUMOURS:

The Compliance Officer and/or the Chief Financial Officer and/or any other official(s) (“Spokesperson”) authorized by the Board of Directors of the Company shall give an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and making disclosures.

SHARING OF UPSI FOR LEGITIMATE PURPOSE:

The UPSI shall be shared by any person(s) authorized by the Board of Directors or CIRO of the Company in this behalf, on in furtherance of legitimate purpose(s) which shall include the following:

(i) Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any Authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.

(ii) Sharing of UPSI where such communication is in furtherance of performance of duty(ies)

(iii) Sharing of UPSI for discharge of legal obligation(s).

(iv) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the CISO of the Company.

(v) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, as may be amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions/ restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

DIGITAL DATABASE OF RECIPIENT OF UPSI

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

(i) Name of such recipient of UPSI;

(ii) Name of the Organization or entity to whom the recipient represent

(iii) Postal Address and E-mail ID of such recipient

(iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

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

MISCELLANEOUS

Any terms used hereinabove but not defined shall have the same meaning ascribed to it in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the Rules and Regulations made thereunder.

AMENDMENT

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with new provision(s) or replace this entire Code with a new Code. In any circumstance where the terms of the Code differ from any law, rule, regulation, etc. for the time being in force, the law, rule regulation, etc. shall take precedence over the Code.
