

KERALA AYURVEDA LIMITED

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

1. PREAMBLE

Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "Regulations") requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, in supersession of the previous Code, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the "Code") for Kerala Ayurveda Limited (the "Company") is hereby framed as under.

2. DEFINITIONS

- (a) **"Board"** - means Board of Directors of the Company.
- (b) **"Code"** means this Code of Conduct for regulating, monitoring & reporting of trading by Insiders of KAL, including modifications/ amendments made thereto from time-to-time.
- (c) **"Company"** means "Kerala Ayurveda Limited" (KAL)
- (d) **"Compliance Officer"** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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;
- (e) **"Connected Person"** shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the promoters and their directors and key managerial personnel.
- (f) **"Designated Persons"** means:
 - (i) Directors ; and
 - (ii) such Employees and Connected Persons as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code;
- (g) **"Director"** means a member of the Board of Directors of the Company.
- (h) **"Employee"** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- (i) **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges.

(j) **“Immediate Relative”** means the spouse of the Designated Person, and includes parent, sibling and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.

(k) **“Insider”** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.

(l) **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

(m) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

(n) **“Specified Persons”** means all Directors, Employees and Connected Persons of the Company (including all Designated Persons)

(o) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.

(p) **“Trading in Securities”** means and includes an act of subscribing to, buying, selling, dealing or agreeing to subscribe to, buy, sell or deal in any Securities of the Company and —trade shall be construed accordingly.

(q) **“Unpublished Price Sensitive Information (‘UPSI’)”** 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 Securities of the Company and shall, ordinarily include but not be 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) material events in accordance with the listing agreement/regulations

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

3. ROLE OF COMPLIANCE OFFICER

The Company Secretary of the Company shall act as the Compliance Officer of the Company for the purposes of these Regulations and is responsible to comply with the provisions as contained herein. The Compliance officer under the overall supervision of the Board of Directors shall report to Board of directors of the Company.

Further, the Compliance officer shall also provide Reports to the Chairman of the Audit Committee of the Board of Directors, on an annual basis.

4. DESIGNATED PERSONS/ EMPLOYEES

-All employees in the cadre of General Manager and above -All the Accounts and Finance Personnel of the Company at Registered and Corporate Office as well as the Finance/Commercial Heads of all the Units/ Branches

-Any other person as may be determined by the Compliance officer, based on their functional role in the organization, for the purpose of monitoring adherence to the Code for preservation of UPSI

5. PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- a. All information shall be handled within the organization on a need-to-know basis.
- b. No Connected person or anyone who is in possession of or has access to unpublished price sensitive information relating to the Company shall communicate it to any other person except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations.
- c. The Designated Employees and Connected persons shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not disclose or communicate or counsel or procure directly or indirectly the Unpublished Price Sensitive Information to any person (except in furtherance of legitimate purposes, performance of his duties or discharge of his legal obligations) until the same is made available to the general public.
- d. The Promoters, Directors, KMPs, Designated Employees and Connected persons, when in possession of UPSI shall not trade in securities of the Company either on their own behalf or on behalf of any other person. However, trades pursuant to a "Trading Plan" set up in accordance with Regulation 5 of the 2015 Regulations may be permitted subject to the approval of Trading Plan by the Compliance Officer and public disclosure of it on the Stock Exchanges.
- e. The Company shall adopt a Chinese wall policy to prevent the misuse of confidential information, which separates those areas of the Company which routinely have access to confidential information.

6. NOTIONAL TRADING WINDOW

The Promoters, Directors, KMPs, Designated Persons and their immediate relatives shall not trade in securities when the (notional) trading window is closed. The trading window shall be closed when the Compliance Officer determines that these persons can reasonably be expected to have possession of UPSI.

The Trading Window shall be closed 7 days before the date of Board Meeting related with any item that may give rise to UPSI.

Trading window shall open 48 hours after the UPSI is made generally available.

When the Trading Window is open, there is no restriction for trading of securities if the value of securities traded, , whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value upto eight lakh rupees.

Beyond these stipulated thresholds, trading by these persons shall be subject to pre-clearance by Compliance Officer, if the value of proposed trades is above the aforesaid thresholds.

However, no person shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of UPSI even if trading window is open.

7. PROCEDURE FOR PRE-CLEARANCE

- a) Designated Persons may Trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application as per **Annexure A** and an undertaking as per **Annexure B**.
- b) An Undertaking (refer **Annexure B**) shall be executed by these Person(s) stating that:
 - he/ she does not have access to or received UPSI upto the time of signing the undertaking
 - that in case he/ she has access to or receives UPSI after signing the undertaking but before execution of transaction, he/ she shall inform the Compliance Officer forthwith and refrain from trading in securities till the PSI becomes generally available
 - he/ she has not contravened the provisions of the Code on PIT.
 - he/ she has made full disclosure in the matter
- c) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- d) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.
- e) The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per **Annexure C**. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- f) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.
- g) A Designated Person who Trades in securities without complying with the preclearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.
- h) No Director or Key Managerial Personnel shall enter into derivative transactions in respect of the securities of the Company.
- i) All Designated Persons who Trade in the securities of the company shall not enter into an opposite transaction during the next six months following the prior transaction.
- j) In case of any 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

8. TRADING PLAN

- a) Subject to Clause 5 and restriction under Regulations, an insider shall be entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- b) The Compliance Office shall assure that the following features are complied with for review and approval of a Trading Plan. Trading under Trading Plan shall:
 - i. not commence earlier than six months from the public disclosure of the plan;
 - ii. prohibited for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced and the second trading day after the disclosure of such financial results;
 - iii. not entail trading for a period of less than twelve months;
 - iv. not entail overlap of any period for which another trading plan is already in existence;
 - v. set out either by the value of trades or 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 be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 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) 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.
- f) Further, the Designated Persons shall also not be allowed to trade 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.
- g) Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

9. DISCLOSURES

INITIAL DISCLOSURES OF SHAREHOLDING TO THE COMPANY

(1) Every Promoter, KMP and Director of the Company, shall, disclose his/ her holding of securities of the Company as on the date of these Regulations take effect i.e. as on 15th May, 2015, to the Company. **(refer Annexure D)**

Timeline for disclosure – 30 days

(2) Upon becoming a Promoter or appointment as a KMP or Director of the Company, such person, shall, disclose his/ her holding of securities of the Company as on the date of becoming a promoter or appointment as a KMP or Director, to the Company. **(refer Annexure E)**

Timeline for disclosure – 7 days

CONTINUAL DISCLOSURES OF TRADING IN SHARES TO THE COMPANY

Every Promoter, Employee and Director of the Company, shall, disclose the no. of securities acquired or disposed, if the value of securities traded, whether in 1 transaction or a series of transactions, over any calendar quarter, aggregates to a traded value exceeding Rs. 10 lakhs (refer **Annexure F**)

Timeline for disclosure – 2 trading days

NOTIFICATION OF CONTINUAL DISCLOSURES BY THE COMPANY TO STOCK EXCHANGES

The Company shall notify the Stock Exchanges on receipt of continual disclosure (as above) or becoming aware of such information. Timeline for disclosure – 2 trading days

ANNUAL DISCLOSURE OF SHAREHOLDING

Every Promoter, Director, KMP and Designated Employee of the Company, shall, disclose his/ her holding of securities of the Company as on date of every financial year ending 31st March, to the Company. He/she shall also disclose the holding and trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. (refer **Annexure G**)

Timeline for disclosure – 30 days

For the purpose of all the above prescribed disclosures, whether initial, continual or annual, the disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account accordingly.

10. PENALTY FOR CONTRAVENTION

Every person, to whom the Code is applicable, shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/ her immediate relatives).

Any person who violates the Code, shall, in addition to any other penal action that may be taken against him under any law, may also be penalized and appropriate action may be taken by the Company.

11. AMENDMENTS/REVISIONS

The board shall have the power to amend/replace the code as and when applicable and revised from Regulators.

The Company Secretary & Compliance officer is being authorized to make necessary changes in the disclosure required, format & other information to make a fair and transparent disclosure in aforesaid Code of Conduct.

12. INFORMATION TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015.

Any violation of the Code of Conduct and the Regulations shall be immediately intimated to the Compliance Officer or the Board of the Company.

In case it is observed by the Board of Directors that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 in relation to securities of the Company, the same shall be immediately intimated to SEBI.

ANNEXURE A

APPLICATION FOR PRE-CLEARANCE OF TRADES

To

The Compliance Officer
Kerala Ayurveda Limited
1134, 1st Floor, 100 Feet Road
HAL 2nd Stage, Indiranagar
Bengaluru-560 008, India

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 hereby enclose the form of undertaking signed by me.

Name:

Address:

Signature:

Date:

Footnotes:

- 1.No application for pre-clearance can be made during closure of trading window; neither any pre-cleared transaction can be carried out during closure of trading window.
- 2.Pre-clearance required whenever Director(s)/ KMP/ Promoter or Person who is part of Promoter Group/ Designated Employee(s) intend dealing in its securities of the of value Rs. _____
- 3.Pre-cleared order must necessarily be executed within 7 days of approval.
- 4.A statement of holdings to be furnished in **Annexure C** after dealing in pre-cleared transaction

ANNEXURE B

UNDERTAKING TO BE EXECUTED AT THE TIME OF APPLYING FOR PRE-CLEARANCE

To

The Compliance Officer
Kerala Ayurveda Limited
1134, 1st Floor, 100 Feet Road
HAL 2nd Stage, Indiranagar
Bengaluru-560 008, India

I, _____, _____ of the Company residing at _____, am desirous of trading in _____ 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

Name:

Address:

Signature:

Date:

ANNEXURE C

DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / trading in securities of the Company)

To

The Compliance Officer
Kerala Ayurveda Limited
1134, 1st Floor, 100 Feet Road
HAL 2nd Stage, Indiranagar
Bengaluru-560 008, India

I hereby inform that:

- I have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on ____ (date)
(strike out whichever is not applicable)

Name of holder	No. of securities traded	Bought / sold / subscribed	DP ID/Client ID/Folio No.	Price (Rs.)

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

Name:

Address:

Signature:

Date:

ANNEXURE D

Form A

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6 (2)]**

Name of the company: _____

ISIN of the company: _____

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons
as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7		

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

Signature:

Designation:

Date:

Place:

ANNEXURE E
Form B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (b) read with Regulation 6 (2)]

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 of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointme nt of Director/KMP		Open Interest of the Option Contracts held at the time	
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Num	Notional value in Rupee
1	2	3	4	5	5	6			7

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

Signature:

Designation:

Date:

Place:

ANNEXURE F
FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trades was
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature:
Designation:

Date:
Place:

ANNEXURE G
ANNUAL DISCLOSURE
**STATEMENT OF HOLDINGS OF SECURITIES / DERIVATIVES OF PROMOTER,
DIRECTOR, KMP AND DESIGNATED EMPLOYEE AND HIS/ HER IMMEDIATE
RELATIVES**

To

The Compliance Officer
Kerala Ayurveda Limited
1134, 1st Floor, 100 Feet Road
HAL 2nd Stage, Indiranagar
Bengaluru-560 008, India

I. Statement of Holdings of Promoters, KMPs and Directors

Name	Designation	Department	No. of shares held as on 1st April, 20....	No. of shares bought / (sold) during the financial year	Date of purchase / (sale) during the financial year	No. of shares/ derivatives held as on 31st March, 20....	Folio No./ DP ID/ Client ID

II. Statement of Holdings of Immediate Relatives of Promoters, KMPs and Directors

Name	Relationship	No. of shares held as on 1st April, 20....	No. of shares bought / (sold) during the financial year	Date of purchase / (sale) during the financial year	No. of shares/ derivatives held as on 31st March, 20....	Folio No./ DP ID/ Client ID

III. Statement of Holdings of persons for whom Promoters, KMPs and Directors take trading decisions.

Name	Relationship	No. of shares held as on 1st April, 20....	No. of shares bought / (sold) during the financial year	Date of purchase / (sale) during the financial year	No. of shares/ derivatives held as on 31st March, 20....	Folio No./ DP ID/ Client ID

Signature:
Designation:
Date:

ANNEXURE H

Form D (Indicative format)

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified by the company

Name, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connection with company)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer / off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature:
Designation:

Date:
Place: