

## **D.S.KULKARNI DEVELOPERS LIMITED**

### **Code of conduct for prohibition of Insider Trading**

This Code may be called “D.S. Kulkarni Developers Limited – Code for prohibition of Insider Trading”.

#### **INTRODUCTION**

The objective of this document is to explain the code of conduct for dealing in the equity shares of D.S. Kulkarni Developers Limited (“the Company”). The document explains the policy in respect of Code of conduct for dealing in equity shares of the Company, to be observed by the persons specified, as and where applicable. This document is intended to serve as a guideline, to all the persons specified, which such persons should practice while dealing in equity shares of the Company.

#### **BACKGROUND**

Insider Trading denotes dealing in a company’s securities on the basis of confidential information relating to the company, which is not published and not known to the public and thereby making profit or avoiding loss in the transaction of securities of the company.

Insider is a person who has knowledge of facts not available to the general public. Insider information implies information about a company’s affairs that is obtained by an insider before the public obtains it. Such information has to be price sensitive, meaning that it is likely to have impact on the price of the company’s securities in the market.

The Code is intended to serve as a guideline, which we need to imbibe and practice while dealing in the securities of the Company. The Code for prohibition of Insider Trading has to be followed in letter and spirit.

#### **DEFINITIONS**

**Company** means D.S. Kulkarni Developers Limited.

**Compliance Officer** means the Company Secretary of the Company or such other employee as may be specified by the Board of Directors of the Company, as the case may be.

**Dealing in shares** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in equity shares of the Company.

**Designated persons means** such employees of the Company up-to the level of divisional manager and above employed at all its works/branches/offices.

**Insider** includes, a Director, Company Secretary, Auditors of the Company, designated persons and such other persons who hold a position involving a professional or business relationship between himself and the Company and who may reasonably be expected to have an access to unpublished price sensitive information.

**Price sensitive information** means any information, which relates directly or indirectly to the Company and which if published is likely to materially affect the price of shares of the Company. The following shall be deemed to be price sensitive information:

1. Periodical financial results of the Company
2. Intended declaration of dividends
3. Issue or buy back of equity shares
4. Any major expansion plans or new projects
5. Amalgamation, merger or takeovers
6. Disposal of the whole or substantial part of the undertaking.

**Trading window** means a trading period specified for dealing in the Company's shares.

*Explanation:* Dealing in the shares of the Company shall be allowed only when the Trading window is open. When the Trading window is closed, no dealing in the shares of the Company shall be allowed.

**Unpublished** means information, which is not published by the Company or its agents and is not specific in nature.

*Explanation:* Speculative information in the media shall not be considered as published information.

## **1. EFFETIVE DATE**

This Code shall come into force effective from 1<sup>st</sup> October 2004.

## **2. PROHIBITION ON DEALING**

No Insider shall either on his own behalf or on behalf of any other person, deal in the shares of the Company when he is in possession of unpublished Price sensitive information.

No Insider shall communicate, counsel or procure, directly or indirectly, any unpublished Price sensitive information to any person who while in possession of such information shall not deal in shares of the Company.

## **3. PRESERVATION OF PRICE SENSITIVE INFORMATION**

All such employees of the Company who have access to Price sensitive information shall maintain confidentiality of such information and shall not pass on such information to any person directly or indirectly by making a recommendation for dealing in the shares of the Company. Such information is to be handled on a "need to know" basis i.e. the information should be disclosed only to those within the Company who need the information to discharge their duty.

The files containing Price sensitive information shall be kept secure. Computer files shall have adequate security of login and password.

#### **4. TRADING WINDOW**

The Trading window shall remain open throughout the year except when it is declared to be closed. The Compliance Officer shall specify the closing of the trading window, from time to time. The trading window shall be closed during the time the Price sensitive information is unpublished.

The trading window shall be closed, inter alia, on every occasion of:

- (a) Declaration of quarterly, half yearly or annual financial results of the Company
- (b) Declaration of dividends
- (c) Consideration by the Board of Directors of issue or buy back of equity shares
- (d) Consideration by the Board of Directors of any major expansion plans or new projects
- (e) Consideration by the Board of Directors of amalgamation, merger or takeovers
- (f) Consideration by the Board of Directors of disposal of the whole or substantial part of the undertaking.

The Insiders shall not deal in shares of the Company when the Trading window is closed. The Trading window shall be closed from the fifteenth day preceding the day on which the Board of Directors of the Company considers any of the matters specified in sub-clauses (a) to (f) above. The Trading window shall be re-opened 24 (twenty four) hours after the information specified in sub-clauses (a) to (f) above is made public.

#### **5. PRE-CLEARANCE**

No Insider shall deal in the shares of the Company exceeding 1,000 (one thousand) shares in number or Rs. 10,000 (Rupees Twenty thousand) in value, WHICHEVER IS LOWER without obtaining a pre-clearance from the Compliance Officer. An Insider shall apply for pre-clearance, to the Compliance Officer by submitting an application and undertaking in **Form G** attached hereto. Such Insider shall execute the order for dealing in the shares of the Company within one week of approval granted by the Compliance Officer, failing which he shall apply for pre-clearance afresh.

#### **6. MINIMUM PERIOD OF HOLDING**

All Insiders, who invest in the shares of the Company, shall hold their investments in the shares of the Company for a minimum period of 30 days. However, in case such Insider intends to sell his shares within a period of 30 days of making investment in the shares of the Company due to unforeseen circumstances or emergencies, the Compliance Office can waive the period of 30 days, after recording reasons for the same.

#### **7. DISCLOSURES**

- (a) Any person who acquires more than 5% shares in the Company shall make a disclosure to the Company in **Form A** attached hereto, within 4 (four) working days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition of shares as the case may be.

- (b) In case the person referred to in sub-clause (a) above acquires and sells the shares of the Company exceeding 2% of total shareholding of the Company, he shall make a disclosure in **Form C** attached hereto to the Company, within 4 (four) working days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition or sale of shares as the case may be.
- (c) Every Director of the Company, the Company Secretary and the Auditor of the Company shall make a disclosure to the Company in **Form B** attached hereto, of the number of shares held by such person within 4 (four) working days of becoming a Director or Company Secretary or Auditor of the Company.
- (d) In case the person referred to in sub-clause (c) above acquires and sells the shares of the Company exceeding Rs. 5,00,000 (Rupees Five lakh) in value OR 25,000 (Twenty five thousand) shares OR 1% of the of total shareholding of the Company, **WHICHEVER IS LOWER**, he shall make a disclosure in **Form D** attached hereto, to the Company, within 4 (four) working days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition or sale of shares as the case may be.
- (e) The Insiders shall disclose to the Company in **Form E** attached hereto, in the following manner, the details of dealing in shares of the Company, by the Insider and his dependent family members:
- For all dealing in shares during the period from 1 April to 30 September, the disclosures shall be made on or before 1 October following.
- For all dealing in shares during the period from 1 October to 31 March, the disclosures shall be made on or before 1 April following.
- (f) The Insiders shall disclose to the Company in **Form F** attached hereto, an annual statement of share holding in the Company to the Company on or before 30 April.

## **8. PENALTY FOR CONTRAVENTION**

Any Insider who deals in shares of the Company or communicates any information for dealing in shares of the Company in contravention of this Code shall be liable to such penalty as the Board of Directors may think appropriate including wage freeze, suspension etc.

In case it is observed by the Compliance Officer or the Company that there has been a violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Compliance Officer or the Company shall inform the Securities and Exchange Board of India about it.