

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Under Regulation 8(1) of SEBI (PROHIBITION OF INSIDER TRADING)
REGULATIONS, 2015)

of

KERALA AYURVEDA LIMITED

Part I: Introduction

The Securities and Exchange Board of India (“SEBI”) vide notification no. LAD–NRO/GN/2014–15/21/85 has introduced new regulations to put in a place framework for prohibition of insider trading in securities and to strength the legal framework. These regulations will be called SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”). These regulations were notified on January 15, 2015 and are effective from May 15, 2015. The Regulations were amended on 31st December, 2018 which are effective from 01st April, 2019.

Pursuant to Regulation 8 every listed company/entity is required to formulate Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in order to adhere to each of the principle set out in schedule A of the Regulations. Further, the Board of Directors of every Listed Company shall make a policy for determination of “legitimate purposes” as a part of Code of Fair Disclosures and Conduct”

Accordingly, Kerala Ayurveda Limited (the “Company”) has formulated this Code of Fair Disclosure to ensure timely and adequate disclosure of Unpublished Price Sensitive Information.

Part II: Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

1. There shall be prompt public disclosure of unpublished price sensitive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 The Company shall ensure uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Unless otherwise appointed by the Board of Directors, Mr. Ramesh Vangal, Director of the Company shall act as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.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 on market rumors by Regulatory Authorities.
6. It shall be ensured the information shared with analysts and research personnel is not unpublished price sensitive information.
7. The best practices will be developed 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. Unpublished price sensitive information shall be handled on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

9. “Legitimate purpose” shall ordinarily include sharing of any UPSI relating to the Company with any person including other Insiders in the ordinary course of business or for genuine business situations, to perform their duties and discharge their legal obligations.
10. 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 or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
11. Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “Insider” and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance under the Regulations.

As a general principle, sharing of information for any event or transaction that qualifies as UPSI under the Regulations will qualify as a “Legitimate purpose”. Given below is an indicative list of transactions that will qualify as a “Legitimate purpose”:

- a. Preparation and declaration of financial results or financial statements
- b. Corporate Actions such as dividend, bonus issue, rights issue, buyback, etc.
- c. Mergers, demergers, acquisitions, delisting, disposals and expansion of business and
- d. such other transactions
- e. Changes in Key Managerial Personnel

Additionally, the Compliance Officer may from time to time determine and identify any other information, transaction or event to qualify as a “Legitimate purpose” for the purposes of the Regulations.

Part III: RESPONDING TO MARKET RUMOURS

All the stock exchanges where the Securities of the Company are listed are required to be informed well in advance the name and address of the Compliance Officer to whom the exchanges may refer any market rumours for verification. Such a communication to the stock exchanges may include fax number, telephone number and email id of the Compliance Officer. On receipt of requests from any of the stock exchanges for verification of market rumours, the Compliance Officer shall ascertain the factual position and thereafter appropriately and fairly respond to such queries or requests. At the time of making such response, the Compliance Officer may decide as to whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.

Part IV: Powers of Board of Directors

Mr. Ramesh Vangal, Director of the Company, subject to approval of Board of Directors, reserve the right to modify or amend the Code in whole or in part. The Board of Directors may establish further rules and procedures, from time to time, to give effect to the intent of this code.

The Decision of the Board of Directors with regard to all matters relating to the Code will be final and binding.

Part IV: Disclosure of the code in Public Domain

The Code shall be published on the official website of the Company.

Further, this Code and every subsequent amendment thereto, shall be promptly intimated to the Stock Exchanges where the securities are listed.
