

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Securities and Exchange Board of India (“SEBI” or “the Board”) vide Notification No. No. LADNRO/GN/2014-15/21/85 has issued SEBI (Prohibition of Insider Trading) Regulations, 2015 which come into effect from May 15th, 2015 and further amended in accordance with the Notification on 31st December, 2018 and 21st of January, 2019.

Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is to frame Code of Practices and Procedures to ensure fair disclosure of unpublished price sensitive information. Therefore, the Company has prepared the Code of Practices and Procedures to ensure fair disclosure of unpublished price sensitive information as under which is in line with the model code given under ‘Schedule A’ of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

This revised code shall be applicable from 1st of April, 2019.

1. The Company shall make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such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 The Company shall make uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. The Compliance Officer / Company Secretary appointed under the Regulations shall act as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.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 The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.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 The Company shall handle all unpublished price sensitive information on a need-to-know basis.
9. The Company shall make a policy for determination of “Legitimate Purposes” for sharing of Unpublished Price Sensitive Information.

POLICY FOR DETERMINATION OF
“LEGITIMATE PURPOSES”

*(as a part of “Codes of Fair Disclosure and
Conduct”)*

1. Objective:

This policy is made for the purpose of determining the legitimacy for sharing unpublished price sensitive information 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).

2. Statutory Rationale:

This policy has been made pursuant to Regulation 3(2A) of Chapter II of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Regulation 3(2A) was inserted vide Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated December 31, 2018 which shall come into effect from April 01, 2019.

3. Approval and Commencement:

This policy was approved by the Board of Directors of KAMAT HOTELS (INDIA) LIMITED through circular resolution passed on _____ and becomes effective from April 01, 2019

4. Definitions:

Expression	Meaning
Act	: Means Securities and Exchange Board of India Act, 1992
Board of Directors	: Means Board of Directors of KAMAT HOTELS (INDIA) LIMITED
Companies Act	: Means Companies Act, 2013
Company	: Means KAMAT HOTELS (INDIA) LIMITED
Compliance Officer	: “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 confidentiality 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;

- Connected Person** :
- (i) any person who 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.
 - (ii) 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 an employee or director thereof; or
 - e. an official of a stock exchange or of clearing house or corporation; or
 - f. 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
 - g. 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
 - h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - i. a banker of the company; or
 - j. 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;

Note: Connected persons include Designated Persons as defined hereinafter

- Consultant** : Means a person and/ or his employees who provide expert advice professionally.
- Designated Person** : Means :
- a. Promoters;
 - b. Directors;
 - c. Key Managerial Personnel as defined under the provisions of section 203 of the Companies Act, 2013;
 - d. All employees comprising the top tiers of the Company management, namely, employees designated as Presidents, Sr. Vice President(s), Vice Presidents, Chiefs, General Managers and Deputy General Managers of the Company;
 - e. All employees in the Finance & Accounts and Secretarial Department;
 - f. Statutory Auditor, Secretarial Auditor and Internal Auditor;
 - g. Such other employees or persons who may be designated as such from time to time by the Board of Directors in consultation with the Compliance Officer keeping in mind their role and responsibilities, their fiduciary relationship with the Company and the objectives of this Policy.
- Lenders** : Means an any banking company or Non Banking Finance Company or Financial Institution or any other person that lends money
- 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; and
 - (v) changes in key managerial personnel;
- Policy** : Means this “policy for determination of legitimate purposes”

5. Compliance Officer:

The Company Secretary or any Person authorised by the Board specifically in this behalf shall be the Compliance officer for ensuring compliance and effective implementation of this Policy.

6. Database of insiders and their relatives:

Mandating disclosures by designated persons of names of immediate relatives, persons with whom such designated person(s) share a material financial relationship, and persons residing at the same address for more than one year **Annexure A**

7. Information sharing with lenders:

It shall be legitimate for the BOD or the HOD or DP as the case may be to share information about the financials or such other information demanded by the lender which is not public i.e. it is UPSI.

In the event where the Board of Directors is of the opinion to borrow funds from any lender(s) it shall be the duty of the Management to enter into Non-Disclosure Agreement with the lender(s)

Explanation: the expression lender includes the team members of the department who is interacting with the Company (by whatever name the department is called of the lender involved and cross functional department(s) involved in extending the financial assistance to the Company

8. Appointment of Professionals as Consultants/ Legal Advisors and Information sharing with them thereon:

The Head of the department (HOD) or the designated person (DP) as the case may be shall assess the business transaction whether a consultant and/or Legal Advisor(s) is required to be appointed or no.

Once it is finalised that the required transaction needs professional support It shall be the primary responsibility of the Head of the Department or of the designated person as the case may be for whom the consultant and/or legal advisor(s) is working for, to ensure that the information so shared with the them shall remain confidential and it should not be misused in any manner.

It shall be legitimate for the BOD/HOD/DP to share insights of a particular transaction for which the consultant and/or legal advisor is specifically being appointed for.

Thereafter, it shall be the responsibility of the Consultant and Legal Advisor to ensure the confidentiality of the information among their team members.

In case the consultant or Legal Advisor is a firm then the person who is leading the team shall be responsible for the confidentiality.

9. Information sharing during Audits:

The Company has to undergo audits of its financial records, secretarial records, taxation records etc. There are different audits which are to be carried out at different intervals or from time to time as per various laws applicable to the Company. Also there is Internal Audit which is to be carried out periodically. At such audit times the auditor and his team access to various records of the Company and there might be situations where such information may be Unpublished Price Sensitive Information in the Ordinary Course of Business.

During such audit periods the designated person under whose supervision the audit is driven shall be responsible for ensuring that the information shared shall remain confidential between the Auditor and his team and the team members of the department whose documents are subject to audit.

It shall be the responsibility of the Auditor or the Team Leader of the Auditor as the case may be that the information so obtained by them during audit shall not be leaked to any third party.

It shall be the duty of the Functional Head to get the details filled by the Auditor and his team as per details mentioned in **Annexure B**.

10. Information Sharing during due diligence:

During investigative process for providing the desired comfort level about a potential investment and/or to minimize the risks for a particular transaction such as hidden uncovered liabilities, poor growth prospects, price claimed for proposed investment being on higher side etc., there may be exchange of UPSI.

Further, Regulation 3(3) of the Insider Trading Regulations allows communication / procurement of UPSI for purposes of facilitating due diligence exercises involved in transactions which (a) trigger an open offer and (b) do not trigger an open offer.

The board of directors of the Company is required to evaluate and opine that any such proposed transaction is in the best interests of the Company, before allowing the UPSI relating to the Company to be communicated.

11. Information sharing during corporate actions:

The Company may be required to share UPSI with intermediaries such as registrar and share transfer agents during various corporate actions

like declaration of dividend, Bonus issue, Stock Spilts, mergers, etc. Sharing of UPSI for such corporate actions shall be considered as sharing of information for “legitimate purpose” for giving effect to such corporate actions.

12. Information sharing with suppliers and customers:

The Company may share UPSI with suppliers and customers in the ordinary course of business for securing supplies, orders, expansion of number of rooms, acquisition of new hotels, entering into agreement for managing hotel property etc. which shall be considered as “legitimate purpose” however sharing of UPSI will be done strictly on a ‘need to know’ basis.

13. Non-Disclosure Agreement:

while sharing UPSI for “legitimate purpose”, the listed company / market participant should serve a notice on, or sign a confidentiality/ non-disclosure agreement with, the person with whom UPSI is shared, informing him/her that he has to ensure the compliance of the PIT Regulations while in possession of UPSI shared with him/her.

14. Amendments:

The Board of Directors shall amend / modify the provisions of this Policy from time to time, as may be necessary.

The formats attached with this Policy may be modified by the Compliance Officer from time to time, as may be required, so however that such modification does not dilute any of the provisions of this Policy.