

KREON FINANCIAL SERVICES LIMITED

The Code for Prevention of Insider Trading in the Securities

1. BACKGROUND

Preventing insider trading is necessary to comply with securities law and to preserve the reputation and integrity of Kreon Financial Services Limited (KFSL) and all persons associated with it. "Insider Trading" may occur when any person subscribes, buys, sells, deals, or agrees to subscribe, buy, sell, deal in any securities and trades while in possession of inside information relating to the Securities of the Company or securities that are listed or proposed to be listed. As explained later in the Code, "Inside Information" is information relating to a company that is listed or proposed to be listed or its securities which is considered to be both "price sensitive" and "not generally available". Insider Trading is an offence punishable under extant laws in India. Insider Trading is prohibited and could result in serious sanctions, including dismissal from the employment of the Company of the concerned persons.

This Code has been formulated to regulate, monitor and report trading by the Designated Persons to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and amended from time to time. The Code is prescribed to ensure that the Designated Persons do not trade in the Securities of the Company when in possession of UPSI, and to prevent any speculative dealings, knowingly or unknowingly, by the Designated Persons. The Company has no tolerance for any form of Insider Trading or similar unlawful security related trade practices.

2. OBJECTIVE OF THE CODE

The Code aims to ensure confidentiality of Unpublished Price Sensitive Information (UPSI) and prevent misuse of such information. The Code encourages timely reporting and adequate disclosure of price sensitive information by the Promoter(s), Director(s), Key Managerial Personnel, Designated Employees and other Connected Person. Further, the Code also endeavours to put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

3. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UPSI

To ensure fair disclosure of events and occurrences that could impact price discovery for securities issued by Kreon Financial Services Limited ("KFSL") in the market. The Promoter(s), Director(s), Key Managerial Personnel and Designated Employees of KFSL shall abide by the principles stated in the **"Code of practices and procedure for fair disclosure of unpublished price sensitive information"** provided at **Annexure - I**.

4. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

To maintain confidentiality of UPSI shared by insiders in the ordinary course of business, a policy for determination of "legitimate purposes" for sharing such UPSI with outsiders is included under **"Code of practices and procedure for fair disclosure of unpublished price sensitive information" in Annexure - I**.

5. DEFINITIONS

A. "Company" means Kreon Financial Services Limited (KFSL)

B. "Connected person" means,

- i. Designated Persons
- ii. Any person who is or has during the six months prior to the concerned act been associated with KFSL, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary relationship or holds any position including a professional or business relationship between himself and KFSL, whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
- iii. 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) Immediate relative of connected persons mentioned above.
 - (b) A holding company, an associate company or subsidiary company of KFSL;
 - (c) an intermediary as specified in section 12 of the SEBI Act, 1992 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 recognized 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;

C. "Designated Persons" shall mean -

- i. Promoters including Promoter Group;
- ii. Director;
- iii. Key Managerial Personnel;
- iv. Designated Persons of material subsidiaries of KFSL.
- v. a. All Executive Directors, Chief General Managers, and members of Executive Council of the Company;
- b. All employees (both management and non-management) in the following departments of the Company:-
 - Corporate Finance including Management Accounts, Treasury, and Taxation
 - Corporate Strategy
 - Internal Audit
 - Corporate Planning
 - Company Secretariat
 - Corporate Affairs
 - Public Relations and Brand
 - IS ERP Competency Centre
 - HRD
 - Coordination Department
 - Embedded finance members in the SBUs / Entities
 - Vigilance setup
- c. Secretaries to the Chairman & Managing Director and other Functional Directors;
- d. Executive Assistants to the Chairman & Managing Director and other Functional Directors and their Secretaries;
- e. Any other employee of the Company notified by the Compliance Officer, from time to time;

D. "Directors" shall mean Directors on the Board of KFSL including Independent Directors and Government Nominee Directors.

E. "Generally Available Information" means an information that is accessible to the public on a non-discriminatory basis.

- F. **"Immediate Relative"** shall mean a spouse of a person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
- G. **"Insider"** means any person who is:
- a connected person; or
 - in possession of or having access to UPSI;
- H. **"Key Managerial Personnel"** means -
- the Chief Executive Officer or the Managing Director or the Manager;
 - the Whole-Time Director;
 - the Chief Financial Officer;
 - the Company Secretary; and
 - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board.
- I. **"Promoter"** and **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2[2018] or any modification thereof.
- J. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- K. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- L. **"Trading day"** means a day on which the recognized stock exchanges are open for trading.
- M. **"Trading Window"** means a trading period in which KFSL's securities can be traded.
- N. **"Unpublished price sensitive information"** means any information, relating to KFSL 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 include but not restricted to, information relating to the following:
- financial results;
 - dividends;
 - change in capital structure;
 - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - changes in Key Managerial Personnel

O. Material subsidiary

Material subsidiary means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth of listed entity and its subsidiaries in the immediately preceding financial year.

6. APPLICABILITY

This Code shall be applicable and binding on the insiders as defined in clause no. 5(G).

7. COMPLIANCE OFFICER

The Company Secretary of KFSL shall act as the Compliance Officer for the purpose of this Code.

8. RESTRICTIONS ON COMMUNICATION / SHARING OF UPSI AND TRADING BY INSIDERS

A. Communication or procurement of UPSI:

- (i) All information shall be handled within the organization on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
- (ii) No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Explanation: "Legitimate Purpose" shall mean sharing of the UPSI by an insider with outside agencies / parties in the ordinary course of business for carrying out his duties. Please refer to policy for determination of "legitimate purpose" as provided at –Annexure I.

- (iii) All Designated Persons need to ensure that details of the entities with whom UPSI is shared, is submitted to the Compliance Officer within 2 days to enable maintenance of the structured database.

B. Trading when in possession of UPSI:

- (i) No insider shall either on his own behalf or on behalf of any other person, trade in securities of the Company on any stock exchange when in possession of any UPSI.
- (ii) When an insider trades in securities while in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such

information in his possession.

- (iii) The onus of establishing that the insider was not in possession UPSI shall be on the insider.

9. TRADING WINDOW

- A. Unless otherwise specified by the Compliance Officer, the Trading Window shall remain closed for the following events, for the period stated below:

Event		
i. Declaration of quarterly and annual financial results	Window Closure Commencement : Starting from the end of every quarter	Window Closure extension: Till 48 hours after the information is generally available / intimated to the stock exchanges
ii. Changes in Key Managerial Personnel		
iii. (a) Change in capital structure e.g. further issue of securities by way of public / rights / bonus, buyback of securities, etc. (b) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business (c) Any significant changes in policies, plans or operations of the Company having material impact on the financials of the Company (c) Declaration of Interim or Final Dividend		

- B. No insider shall deal in any transaction involving the purchase or sale of the Company's securities, either in their own name or in the name of their immediate relatives, during the Trading Window Closure period as mentioned above.

10. PRE-CLEARANCE OF TRADES

All Directors, Officers and Designated Persons and immediate relatives of the Designated Persons of the Company and their dependents intending to deal in the securities of the Company upto the Threshold Limit fixed, as defined and provided hereinbefore, may do so without any pre-clearance from the Compliance Officer.

In all other cases, they should pre-clear the transactions as per the pre-dealing procedure as provided hereunder :

a) Make an application in the prescribed form E annexed hereto, to the Compliance Officer indicating the estimated number of securities that he/she intends to deal in, the details as to the depository(ies) with which he/she maintains a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.

b) He / She shall execute an undertaking in favour of the Company incorporating, therein, inter alia, the following clauses, as may be applicable:

i) that he/she does not have any access or has not received Price Sensitive Information upto the time of signing the undertaking ;

ii) that in case he/she has access to or receives Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public ;

iii) that he/she has not contravened any provisions of this Code, as may be notified by the Company from time to time ;

iv) that he/she has made a full and true disclosure in the said matter.

c) The Directors/Officers/Designated Employees and their dependents shall execute their transactions in respect of securities of the Company within one week after the approval of pre-clearance is given failing which the transaction has to be pre-cleared again. They shall hold their investments in securities for a minimum period of 6 months from the date of purchase/actual allotment. In case of personal emergency the 6 months holding period may be waived by the Compliance Officer (application to made in Form F) after recording in writing the reasons in this regard.

In case of the Compliance Officer intending to deal in the securities of the Company beyond the threshold limit the pre clearance of the Managing Director will have to be obtained. Similarly incase of personal emergency Compliance Officer may obtain the waiver from the Managing Director with regard to complying the minimum period of holding investments for 6 months.

11. DISCLOSURES

A. Initial Disclosure

By Whom	What to be disclosed	When to be disclosed
Promoter / Director / KMP	Holding of securities of the Company as on date of appointment as Director / KMP or becoming Promoter	Within seven days of such appointment as Director/KMP or becoming Promoter
Promoter or member of promoter group/ KMP/ Director	Holding of securities of the Company as on date of regulations taking effect, to the company	Within thirty days of these regulations taking effect
Designated Person	<p>1. Disclose name & PAN (or any other identifier authorized by law) of the following persons:</p> <ul style="list-style-type: none"> a) Immediate Relatives b) Persons with whom the designated person shares a material financial relationship c) Phone, mobile & cell numbers which are used by the above persons <p>2. Names of educational institutions from which the designated person has graduated</p> <p>3. Names of past employers</p> <p><i>Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.</i></p>	Within 7 days of becoming a Designated Person

B. Continual Disclosure

By Whom	What to be disclosed	When to be disclosed
Designated Person	Number of such securities acquired or disposed	<p>Within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lakh or such other value as may be specified.</p> <p><i>Explanation - disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.</i></p>
Company to the Stock exchange where securities are listed	Details of above disclosure by Designated Person	Within two trading days of receipt of disclosure or becoming aware of such disclosure
Designated Persons to the Company	<p>1. Disclose name & PAN (or any other identifier authorized by law) of the following persons:</p> <p>a) Immediate Relatives</p> <p>b) Persons with whom the designated person shares a material financial relationship</p> <p>c) Phone, mobile & cell numbers which are used by the above persons</p>	<p>1. Within 7 days of the end of the financial year.</p> <p style="text-align: center;">And</p> <p>2. Whenever the information changes vis-à-vis their last disclosure, within 7 days from the change.</p>

C. Disclosure by other connected person

The Company may at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company in the format given in Annexure-V and at such frequency as may be determined by the Company in order to monitor compliance with this Code.

12. WHISTLE BLOWER POLICY

Any employee of the Company may report any instances of leak of UPSI in conformity with the Whistle Blower Policy of the Company. The Whistle Blower Policy is hosted on the website of the company www.kreon.in

13. DUTIES OF COMPLIANCE OFFICER

The Compliance Officer shall be responsible for:

- a. 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 code under the overall supervision of the Board of directors of the Company;
- b. reviewing the trading plan to assess whether the plan would have any potential for violation of this Code and 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 including authority to defer the commencement of trading plan until unpublished price sensitive information becomes generally available;
- c. notifying the approved trading plan to the stock exchanges on which the securities are listed;
- d. administering the code of conduct and other requirements under these regulations as may be required;
- e. providing report annually to the Board of directors / Chairman of the audit committee or to the Chairman of the Board of directors;
- f. deciding the exact dates on which the Trading Window would close for trading and open subsequently;
- g. pre-clearance if the value of the proposed trades is above such thresholds as the Board of directors may stipulate and to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information;
- h. communicating the dates of closure and reopening of Trading Window to the Designated Persons and to any other person as required from time to time;

- i. addressing the queries of the insiders related to the SEBI Regulations / the Code;
- j. to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations;
- k. maintaining a list of designated persons / connected persons, the prescribed documents and Registers of transactions as required by this Code and updating the same from time to time.
- l. The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- m. Maintenance of records of disclosures made under this Code for a period of 5 years.

14. TRADING IN SECURITIES OF THE COMPANY BY A CONNECTED PERSON:

The SBU/Entity heads who appoint/deal with outside Professionals/ Consultants/ Contractors shall ascertain, on case to case basis, whether such outsider falls within the definition of the Connected Person as indicated in Clause 5.2 (ii) / (iii) of the Code.

The SBU / Entity head shall be responsible to communicate to such Connected person about the prevailing Code on Insider Trading in the Company and shall advise the Connected person to refrain from trading in the securities of the Company when the Trading Window is closed and to regulate their trading in line with the Code when the Trading Window is open.

The SBU/Entity heads shall also advise the firm / bodies corporate who are connected person to implement their own Code to prevent their employees from indulging in Insider Trading in the securities of the Company.

The SBU/Entity Head shall be responsible for maintaining a list of Connected Persons and updating the same from time to time.

The SBU/Entity head is also responsible for Communicating to such Connected Persons about the closure and reopening of the Trading Window on receipt of such information from the Compliance Officer.

15. PENALTY FOR CONTRAVENTION OF INSIDER TRADING CODE

A. Any Designated Person who trades in securities of the Company or communicates any UPSI in contravention of this Code may be penalized and appropriate disciplinary action would be taken by the Competent Authority as per the process provided under Conduct, Discipline and Appeal Rules (CDA) of the Company.

B. In case the trading in securities / communication of UPSI in contravention of this code is done by an outsider i.e. other than a Designated Person of the Company, then the Compliance Officer may report such case to the SEBI for taking appropriate action. The reporting to SEBI would be in addition to the action envisaged as per the terms of the contract / agreement for the Breach of Contract.

C. In case the Designated Person executes a contra trade, inadvertently or otherwise, in violation of the restriction mentioned in clause of the Insider Trading Code, the profits from such trade shall be liable to be disgorged and transferred to the Investors Protection and Education Fund of SEBI.

16. POWER OF SECURITIES AND EXCHANGE BOARD OF INDIA

The action by the Company shall not preclude SEBI and other authorities from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

Any violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, shall be promptly reported by the Compliance Officer to SEBI and report thereof shall be put up to the Audit Committee.

18. AMENDMENT TO THE CODE:

Any amendments in the Code, consequent upon amendment to the SEBI (Prohibition of Insider Trading) Regulations, 2015, shall be done with the approval of the Board of Directors of the Company. However, compliance Officer is authorized to amend any changes in the format of disclosure forms due to any amendment in the SEBI Regulations.

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

The Designated Persons of the Company viz. Promoter, Director, KMP and designated employees shall abide by the following principles of fair disclosure of unpublished price sensitive information for fair disclosure of events and occurrences that could impact price discovery for its securities in the market:

1. Ensure that all Unpublished Price Sensitive Information that may impact the market price of the Company's securities shall be promptly made available in public domain.
2. Avoid selective disclosure of Unpublished Price Sensitive Information (UPSI) and ensure that all unpublished price sensitive information is disclosed uniformly and universally.
3. Ensure that any Unpublished Price Sensitive Information, which may have been disclosed selectively, inadvertently or otherwise, shall be promptly made available in public domain.
4. Ensure that appropriate and fair response is provided to queries on news reports and requests for verification of market rumors by regulatory authorities.
5. Ensure that the information shared with analysts and research personnel is not unpublished price sensitive information.
6. Best practices be followed 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.
7. All Unpublished Price Sensitive Information shall be handled on a need-to-know basis i.e. no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of his legal obligations.
8. Company Secretary of KFSL is designated as the "Compliance Officer" to deal with all matters relating to dissemination of information and disclosure of unpublished price sensitive information.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES:

1. Legitimate Purpose:

"Legitimate Purpose" shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. The Company may share the UPSI if required in the interest of the Company.

2. The sharing of UPSI by an insider shall be deemed to be for "Legitimate Purpose" if it satisfies the following criteria:

- i. The UPSI shall be shared only on 'need to know' basis.
- ii. Such sharing of UPSI shall be in the ordinary course of business such as performance of duties, discharge of legal obligations, etc. 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.
- iii. The insider shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law.
- iv. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" and due notice shall be given to such person to maintain confidentiality of UPSI.

3. Process for sharing UPSI:

The insider shall conduct the following steps while sharing UPSI:

- i. Satisfy that information is UPSI and sharing is for legitimate purpose
- ii. Identify the persons with whom the information is to be shared
- iii. Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.
- iv. Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
- v. Maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared. The database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This database shall be kept confidential.

POLICY FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Leak or suspected leak of unpublished price sensitive information:

Every listed company has to formulate written policy for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

2. Process to be followed in case of Leak or suspected leak of unpublished price sensitive information

As employees of the Company are bound to maintain strictest secrecy regarding Company's affairs, and in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information of the Company, appropriate inquiry will be initiated as per the Conduct, Discipline and Appeal Rules (CDA) of KFSL, on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.