

KAVIT INDUSTRIES LTD.

CIN: L23100GJ1990PLC014692

REGD. OFFICE: TUNDAV ANJESAR ROAD, VILL. TUNDAV, TA. SAVLI,

VADODARA - 391775, DIST: VADODARA, GUJARAT

PHONE: (0265) 2362000, FAX (0265) 2361551,

Website: <http://kavitindustries.in>, Email ID: kavitindustrieslimited@gmail.com

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY ITS
EMPLOYEES AND OTHER CONNECTED PERSONS**

Introduction

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, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the "Code") for M/s Kavit Industries Limited (the "Company") is hereby framed as under -

I. Important Definitions

- (a) "Compliance Officer" means Secretary of the company.
- (b) "Connected person" shall generally include –
 - (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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 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) "generally available information" means information that is accessible to the public on a non-discriminatory basis;
- (d) "insider" means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (e) "immediate relative" means 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;
- (f) "trading" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (g) "trading day" means a day on which the recognized stock exchanges are open for trading;
- (h) "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 include but not restricted to, information relating to the following: –
- i. financial results;
 - ii. dividends;

- iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel; and
 - vi. material events in accordance with the Listing Regulations.
- (i) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. Code

1. Reporting

The Compliance Officer shall report to the Board of Directors ("Board") and in particular, shall provide reports to the Chairman of the Board, on a monthly basis or at such frequency as may be stipulated by the Board.

2. Information on a need to know basis & Chinese wall procedures

All information shall be handled within the organization on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.

Norms for appropriate Chinese Walls procedures & processes will be as under -

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

3. Designated Persons

The Chairman of the Board shall in consultation with the Compliance Officer specify the designated persons to be covered by such Code on the basis of their role and function in the organization. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

4. TRADING PLAN

- A. 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. Such trading plan shall:–
 - i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
 - ii. not entail trading 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 by the issuer of the securities and the second trading day after the disclosure of such financial results;
 - iii. entail trading for a period of not less than twelve months;
 - iv. not entail overlap of any period for which another trading plan is already in existence;
 - v. set out either the value of trades 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 review the trading plan to assess whether the plan would have any potential for violation of these regulations 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.
- 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. Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not

become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4.

- E. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

Trading window

- 5. Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- 6. The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company

Pre-clearance & trades

- 7. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs. 10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter, or such other limits as the Board may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
- 8. The Compliance Officer shall confidentially maintain a list of such securities as a "restricted list" as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

9. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
10. Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.
11. A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

12. Disclosure Responsibilities & formats

A. Initial Disclosures of holdings

Every promoter, key managerial personnel and director of the Company shall disclose **(as per Annexed Form A)** his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose **(as per Annexed Form B)** his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

B. Continual Disclosures of trades

Every promoter, employee and director of the Company shall disclose to the Company **(as per Annexed Form C)** the number of such securities acquired or disposed of within two (2) 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. 10,00,000/- (Rupees Ten lakh) or such other value as may be specified;

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

- C.** Other formats / disclosures, to monitor compliance with these Regulations would be as under –
- i.** Transactions by Other connected persons as identified by the company **(as per Annexed Form D),**
 - ii.** Application – cum – undertaking for pre-clearance **(as per Annexed Form I),**
 - iii.** Reporting of holdings in securities by Designated Persons as on 31st March, on an annual basis by 10th April **(as per Annexed Form II).**

13. Penalty for contravention of Code of Conduct

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

14. Applicability of the Code to certain persons

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review from time to time.

Vadodara

Jayesh R. Thakkar
Chairman

❖ **SECTION 12 OF THE SEBI ACT, 1992 :-**

1. Stock broker,
2. Sub – broker,
3. Share Transfer Agent,
4. Banker to an issue,
5. Trustee of Trust Deed,
6. Registrar to an issue,
7. Merchant Banker,
8. Underwriter,
9. Portfolio Manager,
10. Investment Adviser and
11. such other intermediary who may be associated with securities market

FORM A
SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the Company]

Name of the Company: **Kavit Industries Limited**
 ISIN of the Company: **INE313M01014**

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
		Type of security (e. g. – Shares, Warrants, Debentures etc.)	No.	
1	2	3	4	5

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

Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2):

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		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Note: In case of Options, notional values shall be calculated based on premium plus strike price of options.

Name & Signature:
 Designation:
 Date:
 Place:

FORM B
SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (1) (b) read with Regulation 6 (2) – Disclosure on becoming a Director/KMP/Promoter]

Name of the Company: **Kavit Industries Limited**

ISIN of the Company: **INE313M01014**

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
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

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

Details of Open Interest (OI) in derivatives of the company 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):

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional values shall be calculated based on premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

FORM C
SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6 (2) – Continual disclosure]

Name of the Company: **Kavit Industries Limited**

ISIN of the Company: **INE313M01014**

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 with contact nos.	Category of Person (Promoter s/ KMP / Directors / immediate relatives/ others etc)	Securities held prior to acquisition/ disposal		Securities acquired / Disposed				Securities held post acquisition / disposal		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.
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. & % of share holding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	Value	Transaction type (Buy/ Sale/ Pledge/ Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No & % of share holding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

Details of trading in derivatives of the Company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2):

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contract *lot size)	Notional Value	Number of units (contract *lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

Form D
(Indicative format)
SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(3) – Transactions by Other connected persons as identified by the Company]

Details of trading in securities by other connected persons as identified by the company:

Name, PAN No., CIN/DIN, & address with contact nos of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition / disposal		Securities acquired / Disposed				Securities held post acquisition / disposal		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.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. & % of share holding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction type (Buy/ Sale/ Pledge/ Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No & % of share holding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

Details of trading in derivatives by Other connected persons as identified by the company:

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contact *lot size)	Notional Value	Number of units (contact *lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

FORM I
1. APPLICATION-CUM-UNDERTAKING FOR PRE-CLEARANCE OF TRADE
(For persons intending to trade in the securities of the company beyond the threshold limit)

To,
The Compliance Officer,
Kavit Industries Limited

I intend to trade in securities of Kavit Industries Limited as per particulars given below:

Name of designated person	:	
No of securities intended to be purchased/sold	:	
Current Folio No./DP ID No./Client ID No.	:	
Name and Address of the DP	:	

I undertake that:

1. I do not have any access or have not received any Unpublished Price Sensitive Information (UPSI) upto the date of signing of undertaking.
2. In case, I receive any UPSI after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the changed position and that I would completely refrain from trading in the securities till the time such information becomes public.
3. I have not contravened the Code of Conduct for Regulation of Insider Trading as notified by the Company from time to time;
4. I have made a full and true disclosure in the matter;
5. Order in respect of securities shall be executed within one week after approval is granted by Compliance Officer, failing which I shall apply for pre-clearance again from the Compliance Officer;
6. I shall not execute a contra trade for a minimum period of six months. If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act;

I confirm having read the Code of Conduct for Regulation of Insider Trading framed by the Company and undertake to abide by the same.

In light of the above application-cum-undertaking, kindly grant pre-clearance of trade.

Place:

Date:

(Signature of an applicant)

- Notes:**
1. **Minimum threshold limit of trading is of exceeding Rs. 10,00,000/- per calendar quarter.**
 2. **'Designated Person' means Directors, KMP, Promoter and employees.**

UTHORISATION TO DEAL

The above transaction has been authorised. Your dealing must be completed within _____ days from today or _____(insert date).

Please confirm the transaction by completing Section 3 below and returning this form to us.

Date:

(Signature of Compliance Officer)

• CONFIRMATION OF DEALING

I confirm that the share dealing was completed on _____(insert date).

Place:

Date:

(Signature of an applicant)

ANNUAL DISCLOSURE - FORM II
Securities & Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015

Details of securities held by Promoter, Director, Key Managerial Personnel & Employees
(collectively referred to as 'designated person') of the Company & his 'immediate relatives':

'Designated Person' & 'Immediate Relatives'						
Name	Relation	PAN	Address	No. of Securities held as on 31st March / Type of Securities	DP ID/ Client ID / Folio No.	Date of intimation to the Company

Note:

1. Annual Disclosure in the above format is to be given as on 31st March by 10th April every year.
2. "Securities" shall have the meaning as defined under regulation 2(1)(i) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. "Immediate Relative" shall have the meaning as defined under regulation 2(1)(f) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature:

Designation:

Date:

Place: