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CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

I. BACKGROUND AND OBJECTIVE

The Board (*as defined below*) of the Company has adopted this code of conduct to regulate, monitorand report trading by all Insiders (*as defined below*) including the Designated Persons and Immediate Relatives of Designated Persons as defined in this Code ("**Code**") to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) ("**SEBI Regulations**") and theapplicablelaws.

This Code shall be applicable to all Insiders of the Company including Designated Persons and Immediate Relatives of Designated Persons as defined in this Code.

The SEBI Regulations prohibit an Insider from Trading (*as defined below)* in the Securities of a company listed on any stock exchange when in possession of any UPSI (*as defined below*).

II. CODE OF CONDUCT

1. Definitions

1) **"Act"** shall mean the SEBIAct, 1992(15of1992).

2) **"Audit Committee'"** shall mean committee of the Board of the Company constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements)Regulations,2015.("**SEBI LODR**")

3) "**Board**" shall mean the board of Directors of the Company.

4) "**Compliance Officer**" means the Company Secretary of the Company, or such other senior officer designated as such and reporting to the Board, or the head of the organization in case the Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of Trades and implementation of the codes specified under the SEBI Regulations under the overall supervision of the Board.

Explanation – "financially literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

5. "Connected person" includes-

a) Any person who is:

i. A Director of the Company;
ii. A Key Managerial Personnel of the Company;
iii. An Officer of the Company;
iv. Any person who is or has been in a contractual, fiduciary or employment relationship at any time in the six-month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, allowed access to UPSI or reasonably expected to be allowed access to UPSI;
v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six-month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, allowed access to UPSI or reasonably expected to be allowed access to UPSI;
vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI; and
vii. Any person who has a professional or business relationship with the Company, whether temporary or permanent, and that relationship directly or indirectly, allows access to UPSI or is reasonably expected to allow access to UPSI;

b) 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, -

i) An immediate relative of connected persons specified in clause 5(a) above; or

ii) A holding company or associate company or subsidiary company; or

iii) An intermediary as specified in section 12 of the Act or an employee or director

thereof; or

iv) An investment company, trustee company, asset management company or an employee or director thereof; or

v) An official of a stock exchange or of clearing house or corporation; or

vi) 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

vii) 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

viii) An official or an employee of a self-regulatory organization recognised or authorized by the Board; or

ix) A banker of the company; or

x) 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;

6) "**Contra trade**" means a Trade or transaction which involves buying or selling Securities of the Company and within six months trading or transacting in an opposite transaction involving sell or buy following the prior transaction.

7) **Designated Person**" shall consist of:

i Promoters and members of the Promoter Group of the Company.

ii Directors and Key Managerial Personnel of the Company and its material subsidiaries.

iii Employees in the Finance and Accounts, Corporate Planning, Legal, Enterprise Risk Management, Corporate Strategy, Investor Relations, Information Security, Data Privacy, Mergers & Acquisitions, Corporate Secretarial, Marketing, Compensation and Benefits and any other departments of the Company and its material subsidiaries, if any, on the basis of their functional role or that have access to UPSI, designated from time to time.

iv Chief Executive Officer ("**CEO**") and employees up to two levels below CEO of the Company and material subsidiaries.

v Executive Secretaries of Directors, Key Managerial Personnel and Executive Officers of the Company, any other support staff of the company, such as IT staff or secretarial staff who are likely to have access to UPSI.

vi Any other person designated by the Company on the basis of their functional role and such function would provide access to UPSI.

"

8) "**Director**" shall have the meaning assigned to it under the Companies Act, 2013.

9) **"Generally available information"** means information that is accessible to the public on a non- discriminatory basis. For example, information which is published on the website of stock exchange(s) where the Securities of the Company are listed or published by way of a press release by the Company, would ordinarily be considered generally available.

10) "**Immediate Relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, if they are either dependent financially on such person, or consults suchperson in taking decisions relating to Trading in Securities.

11) "**Insider**" means any person who is:

i. a Connected Person or
ii. in possession of or having access to UPSI.

12) "**Key Managerial Personnel**" shall have the meaning assigned to it under the Companies Act, 2013.

13) **"Leak of UPSI"** shall refer to such act / circumstance(s) by virtue of which an UPSI is madeavailable or becomes available, by any means or mode to any person, association, body, firm,agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

Explanation: It covers the instances where the UPSI has been shared by a person to any person, association, body, firm, agency, society, entity or to a group thereof except in compliance with applicable law.

14) **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 these regulations.

15) **"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 from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm's lengthtransactions.

16) "**Officer**" shall have the meaning assigned to it under the Companies Act, 2013.

17) "Promoter and Promoter Group":

"**Promoter**" shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

"**Promoter Group**" shall have the meaning assigned to it under the SEBI (Issue of Capitaland Disclosure Requirements) Regulations, 2018 or any modification thereof.

18) "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof and includes ADS.

19) "**Trading**" or "Trade means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, pledge (including revocation or invocation thereof), deal in the Company's Securities either directly or through portfolio management services, and "trade" shall be construed accordingly.

20) "**Trading day**" means a day on which the recognized stock exchanges are open for trading.

21) **"Unpublished Price Sensitive Information" ("UPSI")** means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available information 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, delisting, disposals and expansion of business and suchother transactions;
v. Changes to the Company's Board or changes in key managerial personnel (KMP);
vi. Such other matters that the Company may decide.

Words and expressions used and not defined in these Rules but defined in the Act , the Securities Contracts (Regulation) Act, 1956,the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

2. Prohibition on communicating or procuring UPSI

An Insider shall not–

i. communicate, provide, or allow access to any UPSI, relating to the Company or its Securities, to any person including other Insiders, except to the extent allowed by these Rules or SEBI Regulations;or
ii. procure from or cause the communication by an Insider of UPSI, relating to the Company or itsSecurities.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

i. in furtherance of Legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate notice, confidentiality and non-disclosure agreements being executed;or

ii. in the event the Board directs or causes the public disclosure of UPSI in the best interest of the Company;or

iii. within a group of persons if such persons have been identified and secluded within a 'Chinese wall' or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of Legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the 'Chinese wall', and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI and has become Generally available information. The norms for appropriate 'Chinese wall' procedures, and processes for permitting any designated person to "cross the wall" shall be as determined by the Company from time to time.

3. Trading when in possession of unpublished price sensitive information.

(1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

[Explanation –When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.]

Provided that theinsidermay prove his innocence by demonstrating the circumstancesincluding the following: –

(i) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breachof regulation 3 of SEBI(Prohibition of Insider Trading) Regulations, 2015 and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained undersub-regulation (3) of regulation 3 of these regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

(ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made aconscious and informedtrade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of these regulations.

(iii)the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

(iv) the transaction in question was undertaken pursuant to the exercise of stock optionsin respect of which the exercise price was pre-determined in compliance with applicable regulations.

(v) in the case of non-individual insiders:–

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(vi) the trades were pursuant to a trading plan set up in accordance with regulation 5 of SEBI(Prohibition of Insider Trading) Regulations, 2015.

NOTE*: When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge*

and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once thisisestablished, itwouldbeopentotheinsidertoprovehisinnocenceby demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.

(2) In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

(3) The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

4. Trading Window

1) The Compliance Officer shall notify a 'Trading Window' during which the Designated Persons may trade in the Company's securities after securing pre-clearance from the Compliance Officer.The competent authority for pre clearing the trade of Compliance Officer shall be the Board.

2) Designated Persons and their Immediate Relatives shall not Trade in the Company's Securities when the trading window is closed.

3) The trading window shall generally be closed for all Designated Persons from the end of every quarter till 48 hours after the declaration of financial results.

4) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer. Designated Person or class of Designated Persons will receive a notification on such special black out periods.

5) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available information or is no longer classified as UPSI.

6) The trading window restriction shall not apply for below cases;

i. off-market *inter-se* transfer between insiders who were in possession of the same UPSI without violating the Code and both parties had made a conscious and informed trade decision.

ii. transaction carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the Code and both parties had made a consciousand informed trade decision

iii. transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fidetransaction.

iv. Transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

v. trades executed as per the Trading Plan set up in accordance with the Code.

vi. pledge of shares for a *bona fide* purpose such as raising of funds, subject to pre-clearance by the Compliance Officer.

vii. transactions undertaken in accordance to respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

5. Pre-clearance of Trading

1) All Designated Persons who intend to Trade in Securities of the Company (either in their own name or through their Immediate Relatives) i.e. buy or sell Securities during the trading window open period and if the value of the securities likely to be 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 Only), should pre-clear the transactions by making an application in the format set out in Annexure 1 to the Compliance Officer indicating the estimated number of units of Securities that the Designated Person or Immediate Relative(s) intends to trade and such other details as specified in the form and also declare that the applicant is not inpossession of UPSI as per Annexure 2.

2) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.

3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.

4) The Board of Directors of the Company shall be the approving authority for the pre-clearance application of Compliance Officer.

5) The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per Annexure 3. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.

6) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.

7) Pre-clearance of Trades shall not be required for a trade executed as per an approved trading plan.

8) A Designated Person who Trades in securities of the Company without complying with the pre-clearance procedure as envisaged in this policy or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in this policy.

6. Trading Plan

1) A Designated Person shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations ("Trading Plan") and present it to the Compliance Officer for approval and public disclosure. The Trading Plan may be executed only after the plan is approved by the Compliance officer and disclosed to the stock exchanges on which the Securities of the Company are listed.

2) Designated Person shall not exercise any influence over the amount of Securities to be traded, the price at which they are to be traded, or the date of the trade. Designated Person may delegate discretionary authority to his/her broker, but in no event Designated Person may consult with the broker regarding executing transactions, or otherwise disclose information to the broker concerning the Company that might influence the execution of transactions, under the Trading Plan after it commences.

The Trading Plan once approved shall be irrevocable and the Designated Person 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. However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Designated Person is in possession of UPSI and the said information has not

become generally available information at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information.

7. Disclosure requirements

i. Initial Disclosure:

a. Every person, on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or member of the promoter group, shall disclose his / her and Immediate Relatives' holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a promoter, as per Form B set out in Annexure 4.

ii. Continual Disclosure:

a. Every Promoter, member of the Promoter Group, Designated Person and Director of the Company shall disclose the number of Securities acquired or disposed of 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 INR 10,00,000 (ten lakh rupees) or such other value prescribed under SEBI Regulations or other applicable law, as per Form C set out in Annexure 5.

b. Every Designated Person shall disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes: (i) Immediate Relative; (ii) persons with whom such Designated Person(s) shares a material financial relationship; (iii) Phone and mobile numbers which are used by them.

c. Any off-market trade done as per paragraph 4(6)(i) of this Code shall be reported by the Insiders to the company within two working days.

iii. Disclosures by other Connected Persons.

The Compliance Officer may, require any other Connected Person to disclose the holdings and Trading in securities of the Company as per Form D set out in Annexure 6 at such frequency as he may determine.

8. Mechanism for prevention of Insider Trading

a. The CEO, Managing Director ("**MD**") or such other analogous person of the Company shall, in consultation with the Compliance Officer and other relevant members of the Company's

senior management, shall put in place and take steps to maintain adequate and effective system of internal controls in place for compliance with SEBI Regulations, including periodic process review to evaluate the effectiveness of such internal controls and other matters stated therein.

b. The Board shall ensure that the CEO/MD and other members of Company's senior management referred above have taken steps to comply with requirements of Paragraph 8(a) above.

c. The Audit Committee shall review compliance the provisions of SEBI Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effective.

9. Penalty for Contravention of the Code of Conduct

1. Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

2. Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

3. Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
4. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

10. CODES OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UPSI

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. 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. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.

3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumour by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing 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. Handling of all unpublished price sensitive information on a need-to-know basis.

10.1 POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

1. Preface

This Policy is an integral part of "Codes of Practices and Procedures for Fair Disclosure of UPSI" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, and will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy". This Policy is being prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. Objective

The objective of this policy is to identify legitimate purposes, for performance of duties or discharge of legal obligations that can be considered as an exception for procuring or communicating UPSI, which is likely to materially affect the price of the securities of the Company.

3. Legitimate Purposes

"Legitimate Purposes" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following persons mentioned below, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations**:**

a. Auditors (Statutory, Internal, Secretarial and any other auditors as applicable)
b. Staff members of the audit firm/team conducting the audit
c. Collaborators
d. Lenders
e. Customers
f. Suppliers
g. Bankers/Merchant Bankers
h. Legal Advisors
i. Investors

j. Insolvency Professionals
k. Consultants
l. Any other advisors/consultants/partners
m. Any other person with whom UPSI is shared

4. Restrictions on communication and trading by Insiders

The Board of Directors shall require the parties to execute confidentiality and non-disclosure agreements on the part of such parties and such parties shall keep information so received confidential and shall not otherwise trade in securities of the company when in possession of UPSI.

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "Insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such UPSI.

The provision of this Code of Conduct shall be applicable to the above said Insider, who has obtained UPSI in pursuance of performance of his duties or discharging legal obligation.

UPSI as defined in this Code of Conduct shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function.

5. Maintenance of Digital Database

The board of directors of the Company, shall ensure that a structured digital database is maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The board of directors of the Company shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

10.2 POLICY AND PROCEDURE OF INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE

1. BACKGROUND

The SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("**SEBI Insider Trading Regulations**") mandates every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information ("**UPSI**") and

initiate appropriate action on becoming aware of leak or suspected leak of UPSI and inform Securities and Exchange Board of India ("**SEBI**") promptly of such leaks, inquiries and results of such inquiries.

In this regard, Board of Directors of "Kothari Fermentation and Biochem Limited" has laid down this policy for Procedure of Inquiry in case of leak or suspected leak of UPSI ("**the Policy**").

2. OBJECTIVE:

a. To strengthen the internal control system to prevent leak of UPSI. All UPSI shall be shared strictly on a need-to-know basis and preferably a record be maintained of persons with whom such information is shared. Information shared through e-mail and preservation of such e-mail shall be sufficient compliance in this regard.
b. To restrict and prohibit the practice of sharing of UPSI, with any unauthorized person(s), which originates from within the Company and affects the market price of the Company as well as loss of reputation and investors / financer's confidence in the Company.
c. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to SEBI promptly.
d. To take disciplinary actions, if deemed fit against any Insider, Employee & Designated Persons who is found to have violated this policy and/or the PIT Regulations, apart from any action that SEBI may initiate/take against the Insider, Employee & Designated Persons.

3. APPLICABILITY:

This Policy shall apply to all Connected Persons and Immediate relatives of Connected Persons and persons in possession of or having access to UPSI.

4. DISCLOSURE OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES AND SEBI:

On becoming aware of actual or suspected leak of UPSI in respect of the Company, the Compliance Officer shall ensure that the same is promptly intimated to the Stock Exchanges on which the securities of the Company are listed.

5. REPORT OF ACTUAL OR SUSPECTED LEAK OF UPSI TO SEBI:

On becoming aware of actual or suspected leak of UPSI of the Company, and promptly pursuant to the intimation to the Stock Exchanges as per Clause 4 hereto, the Company Secretary shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly informed to SEBI.

6. CONSTITUTION OF INQUIRY COMMITTEE:

The Board of Directors empower the Audit Committee as the Inquiry Committee.

7. DUTIES OF INQUIRY COMMITTEE

The Inquiry Committee shall be responsible;

(a) To conduct a preliminary inquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;

(b) To authorize any person, if required, to collect necessary support material;

(c) To consider the facts and circumstances and decide/direct on the matter;

(d) To decide disciplinary action thereon.

8. PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UPSI

The Inquiry Committee shall upon receipt of written complaint or becoming aware or otherwise, of actual or suspected leak of UPSI of the Company shall follow the below mentioned procedure in order to inquire and/or otherwise investigate the matter:

(a) To take cognizance of the matter:

The Inquiry Committee shall meet within a period of 2 (two) working days after receipt of the information or becoming aware of actual or suspected leak of UPSI, take cognizance of the matter and decide as follows:

i) If it is found that the allegation is frivolous, not maintainable or outside the scope, the same may be dismissed.
ii) If it is found that the issue requires further investigation, Preliminary Inquiry may be initiated.

(b) Preliminary Inquiry:

The object of preliminary inquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark any disciplinary action.

(c) Proceedings before the Inquiry Committee:

If the Inquiry committee forms an opinion that such person(s) is/are guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary Disciplinary Action, which will be in addition to the penal provisions stated under SEBI Insider Trading Regulations and any other statutory enactments, as applicable.

(d) DisciplinaryAction:

The Disciplinary Action(s) shall include wage freeze, suspension, recovery, claw back, termination etc., as may be decided by the Members of the inquiry Committee, in addition to the action to be initiated by the SEBI, if any.

9. AMENDMENT

The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.

Annexure1

APPLICATION FOR PRE-TRADING APPROVAL

To,

The Compliance Officer, Kothari
Fermentation and Biochem
Limited.

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal Code of Conduct for Prohibition of Insider Trading, I seek approval to purchase / sell / subscribe equity shares/ American depositary shares of the Company as per details given below:

1.	Name of the applicant	
2.	Designation	
2A	Relationship with the Applicant (Self/Immediate Relative)	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.	
5.	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities (d) Pledge
6.	Proposed date of trading in securities	
7.	Estimated number of securities proposed to be purchased/subscribed/sold/pledge	
8.	Current market price (as on date of application)	
9.	Whether the proposed transaction will be through stock exchange or off-market trade	
10	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the undertaking signed by me.
Signature : _____
Name:
Date:

Annexure 2

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE- CLEARANCE

To,

The Compliance Officer,

Kothari Fermentation and
Biochem Limited.

I,_____being a designated person of the company as per the Rules for Trading in the securities of the Company residing at_____, am desirous of trading in_____shares of the Company as mentioned in my application dated_____pre-clearance transaction.

I further declare that I am not in possession of any unpublished price sensitive information ("**UPSI**") up to the time of signing this undertaking. In the event that I have access to or receive any UPSI after signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Rules as notified by the Company from time to time.

In the event of this transaction being in violation of the Rules or the applicable laws, (a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons, (b) I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and (c) I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the Securities and Exchange Board of India ("**SEBI**") for credit of the Investor Protection and Education Fund administered by the SEBI.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within seven days of the receipt of approval failing which I shall seek pre-clearance afresh. I declare that I have made full and true disclosure in the matter.

Signature : _____
Name:
Date:

Annexure 3

DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / trading in securities of the Company)

To,

The Compliance Officer,

Kothari Fermentation and
Biochem Limited.

I hereby inform that I

i) have not bought / sold/ subscribed any securities of the Company

ii) have bought/sold/subscribed to_____securities as mentioned below on_____(date)
(strike out whichever is not applicable)

Name of holder	No. of securities traded	Bought / sold / subscribed	DP ID / ClientID / Folio No.	Price (Rs.)

I declare that the above information is correct and that no provisions of the Company's Rules and/or applicable laws/regulations have been contravened for effecting the above said Transactions(s).

Signature:_____

Name:

Date:

Annexure 4

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation6(2) – Disclosure on becoming a director/KMP/Promoter/Member of the promoter group]

Name of the company: _____

ISIN of the company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN Address contact nos.	Category of Person (Promoter or member of promoter group/KMP/Directors/ immediate relative to/others etc.)	Date of appointment o Director/ KMP Date of becoming Promoter/ member of the promoter group	Securities held at the time of becoming Promoter or member of the promoter group/appointment of Director/KMP		% of Shareholding
			Type of security(For eg: Shares, Warrants, Convertible-debentures etc)	No.	

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 or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/member of the promoter group/appointment of Director/KMP	Open Interest of the Option Contracts held at the time of becoming Promoter/member of the promoter group/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

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

Name & Signature:

Designation:

Date:

Place:

Annexure 5

Form C

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

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such personsas mentioned in Regulation 6(2).

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP Directors/immediate relative to/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 o intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter se transfer, ESOPs etc.)
		Type o security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type o security (For eg. – Shares, Warrants, Convertible Debentures	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		

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 suchpersons 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 * (contracts lot size)	Notional Value	Number of units (contracts * lot size)	

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

Name & Signature:
Designation:
Date:
Place:

Annexure 6

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, 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/ disposal (on market/public/ rights/ Preferential offer /off market/ Inter se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	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. and % of shareholding	From	To		

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 (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	

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

Name:
Signature:
Place: