



KRITI INDUSTRIES (INDIA) LIMITED

"CHETAK CHAMBERS", 4th FLOOR, 14, R.N.T. MARG, INDORE-1, (M.P.) INDIA
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May 20, 2015

To,
The Secretary,
Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai-400 001

Dear Sir,

Sub: Compliance of SEBI (Prohibition of Insider Trading) Regulation, 2015.
Reference: Scrip Code: 526423

Dear Sir,

In compliance with the requirement of SEBI (Prohibition of Insider Trading) Regulation, 2015 and pursuant to SEBI Circular No. CIR/ISD/01/2015 dated 11th May 2015, we wish to confirm that the Board of Directors of the Company had adopted Code of Conduct for Prevention of Insider Trading which is applicable w.e.f 15th May, 2015

A copy of Code is attached herewith for your information and record.

Thanking you

Yours Faithfully,
For KRITI INDUSTRIES (INDIA) LIMITED

(COMPANY SECRETARY)

Kriti Industries (India) Limited
CIN:L25206MP1990PLC005732
Registered Office : Mehta Chambers,
34, Siyaganj, INDORE-452007

***KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR
PREVENTION OF INSIDER TRADING***

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KRITI INDUSTRIES (INDIA) LIMITED

Regd. Office: Mehta Chambers-34, Siyaganj, Indore - 452007

Tel: 0731-2719100

Email: cs@kritiindia.com

CIN: L25206MP1990PLC005732

**KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR
PREVENTION OF INSIDER TRADING**

**[AS ENVISAGED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA
(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015]**

**KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR PREVENTION
OF INSIDER TRADING**

1. This Code of Conduct will be known as “ Kriti Industries (India) Limited – Code of Conduct for Prohibition of Insider Trading” or “Code” issued pursuant to Regulation 9 of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, hereinafter will be known as 'The said regulations'.

2. Definitions

- a) " Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992)
- b) “Board of Directors" means the Board or Directors of the Kriti Industries (India) Limited;
- c) "Company" means Kriti Industries (India) Limited.
- d) "Compliance Officer” means the officer appointed by the Board of Directors of the Company for the purpose of this Code from time to time;
- e) "Connected person" means:-
 - i. any person who is or has during the six months prior to the concerned act been associated with a Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:-
 - (a) an immediate relative of connected persons specified in clause (i); or
 - (b) a Holding Company or Associate Company or Subsidiary Company; or
 - (c) an intermediary as specified in section 12 of the Act or an employee or Director thereof; or
 - (d) an Investment Company, Trustee Company, Asset Management Company or an employee or Director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the Board of Directors of the Asset Management Company of a mutual fund or is an employee thereof; or
 - (g) a member of the Board of Directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the Company; or
 - (j) a concern, firm, trust, Hindu Undivided Family, Company or Association of persons wherein a Director of a Company or his immediate relative or banker of the Company, has

KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

more than ten percent of the holding or interest;

- f) "Designated Employees" means:
- (i) Key Managerial Personnel of the Company and their dependent family members;
 - (ii) All Executive Manger (EM) Grade and Manager (M) Grade Employee of the Company and Employee of Accounts, Finance, and Taxation Departments of the Company and their dependent family members.
- g) "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;
- h) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except unit of a mutual fund;
- i) "Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- j) "Trading" means an act of subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- k) "Unpublished price sensitive information" means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
- i. Financial results;
 - ii. Dividends;
 - iii. Change in capital structure;
 - iv. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - v. Changes in key managerial personnel; and
 - vi. Material events in accordance with the listing agreement.

3. This Code will be applicable to Directors/Officers/Designated Employees and other connected persons.

4. Compliance Officer

1. "Compliance Officer" means the officer appointed by the Board of Directors of the Company for the purpose of this Code from time to time.
2. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their Immediate relatives trades monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed Company.
3. The Compliance Officer shall maintain a record of the Designated Employees and any changes made in the list of Designated Employees.
4. The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's code of conduct.

KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

5. Preservation of "Price Sensitive Information"

1. Directors/Designated Employees/their dependent family members and Immediate Relative's and other connected persons shall maintain the confidentiality of all Price Sensitive Information. Directors/Designated Employees their dependent family members and Immediate Relative's ' and other connected persons shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Equity Shares,
2. Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Unpublished Price Sensitive Information will be disclosed only to those within the Company who need the information to discharge their duty and to whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
3. No Directors/Designated Employees/their dependent family members and their Immediate Relative's and other connected persons shall communicate or counsel any Unpublished Price Sensitive Information to any person and who while in possession of such Unpublished Price Sensitive Information shall not deal in Securities of the Company. During the possession of price sensitive information particularly during preparation of financial results (quarterly /annually) Designated employees will not allow any other person to access such information or visit to their office i.e., this is to be treated as Chinese Walls Procedures without any exceptions.

All non-public information directly received by any employee should immediately be reported to the Compliance Officer.

4. Limited access to confidential information:
Files containing confidential information shall be kept secured. Computer files will have adequate security of login and password etc.

6. Prevention of misuse of "Price Sensitive Information"

1. All Directors/Designated Employees and their dependent family members/Immediate relatives, of the Company will be subject to, trading restrictions as enumerated below :
2. **Trading window:**

1. The Company will specify a trading period, to be called "Trading Window", for trading in the Company's Equity Shares. The trading window shall be closed on and 7 days before the happening of the following events and shall remain close up to forty-eight hours after the publication of the Price Sensitive Information. Trading Window may be further closed by the Company during such time in addition to the above period as it may deem fit from time to time.

The trading window will be, inter alia, closed at the time of:

- a. Declaration of Financial results (quarterly, half-yearly & annual);
- b. Declaration of dividends (interim and final);
- c. Issue of securities by way of public/ rights/bonus etc.;
- d. Any major expansion plans or execution of new projects;
- e. Amalgamation, mergers, takeovers and buy-back;
- f. Disposal of whole or substantially whole of the undertaking;
- g. Any changes in policies, plans or operations of the Company.

KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

2. When the trading window is closed, the Directors/Designated Employees and their dependent family members will not trade in the Company's Equity Shares in such period.

3. All Directors/Designated Employees of the Company and their dependent family members / immediate relatives, will conduct all their dealings in the Equity Shares of the Company only in a valid trading window and will not deal in any transaction involving the purchase or sale of the Company's Equity Shares during the periods when trading window is closed, or during any other period as may be specified by the Company from time to time.

7. Pre-clearance of trades

1. All Directors/ Designated Employees of the Company who intend to deal in the Equity Shares of the Company either in their own name or in the names of their dependent family members / Immediate relatives, for a minimum of Rs 10 lakh in Market value should pre-clear the transactions as per the pre-dealing procedure as described hereunder. In case the purchase / sale is done in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value of Rs. 10 lakh then pre-clearance is required.
2. An application may be made in such form as the Company may notify in this regard, to the Compliance Officer indicating the estimated number of Equity shares that the Director/ Designated Employee and their dependent family members / Immediate relatives, intends to deal in, the details as to the depository with which he/she has a security account, the details as to the Equity shares in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
3. A Declaration / an undertaking shall be executed in favour of the Company by such Director/Designated Employee incorporating, inter alia, the following clauses, as may be applicable:
 - i. That the Director/ Designated Employee does not have any access or has not received "Price Sensitive Information" upto the time of signing the declaration/ undertaking.
 - ii. That in case the Director/ Designated Employee has access to or receives "Price Sensitive Information" after the signing of the declaration/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 Equity Shares of the Company till the time such information becomes public.
 - iii. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - iv. That he/she has made a full and true disclosure in the matter.
4. The execution of the order in respect of the Securities of the Company will have to be completed within 7 trading days of such approval of preclearance. If the order is not executed within 7 days after the approval is given, the Director/Designated Employee must pre clear the transaction again.
5. All Directors/Designated Employees and Immediate relatives, who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e., sell or buy any number of shares during the next six months following the prior transaction.

In case the sale of Equity Shares is necessitated by personal emergency, the holding period

KRITI INDUSTRIES (INDIA) LIMITED CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

may be waived by the Compliance Officer after recording in writing his/her reasons in this regard. Provided such relaxation does not violate to said Regulations otherwise profit from such trade will be remitted to the Securities and Exchange Board of India for credit to Investor Protection and Education Fund.

8. Trading Plans

Any insider as defined in the said Regulations can formulate trading plans and submit it to the Compliance Officer for approval and public disclosure, pursuant to which trade may be carried out on his behalf in accordance with such plan as per conditions and restrictions mentioned in the said Regulation.

9. Reporting Requirements for transactions in securities

1. All Directors/Designated Employees of the Company will be required to forward following details of their Equity Shares transactions including the statement of dependent family members / Immediate relatives, to the Compliance Officer:
 - a) all holdings in Equity Shares of the Company by Directors/Designated Employees and their dependent family members / Immediate relatives, at the time of joining the Company;
 - b) subsequent disclosure regarding any change in number of shares in the Company if the change is for a minimum of Rs. 10 lakh in Market value. The statement is to be submitted within 2 working days.
 - c) annual statement of all holdings in Equity Shares as on the last day of the Company's financial year should be submitted within 4 working days.
2. The Compliance Officer will maintain records of all the declarations in the appropriate form given by the Directors/Designated Employees for a minimum period of Five years.
3. The Compliance Officer will place before the Managing Director on a monthly basis all the details of the dealing in the Equity Shares by Directors/Designated Employees of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

10. Penalty for contravention of code of conduct

1. Any Director/Designated Employee who trades in Equity Shares or communicates any information for trading in Equity Shares, in contravention of the code of conduct will be penalised and appropriate action will be taken by the Company.
2. Any Director/Designated Employee of the Company who violates the code of conduct will also be subject to disciplinary action by the Company, which may include wage freeze, suspension, etc.
3. The action by the Company will not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.

11. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015

In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI will be informed by the Company.