

# KEYSTONE REALTORS LIMITED

## PREVENTION OF INSIDER TRADING

### INTRODUCTION:

Insider trading means trading in Securities of a company by its Directors, Employees or other Insiders while in possession of Unpublished Price Sensitive Information ("UPSI"). Such trading by Insiders erodes the investors' confidence in the integrity of the management and is unhealthy for the capital markets.

*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.*

*"3(2B) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations."*

*"4(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No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information...."e*

### INSIDER TRADING

- (a) **"Company"** means Keystone Realtors Limited.
- (b) **"Connected Person"** shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the promoters and their directors and key managerial personnel.
- (c) **Designated Person(s)"** shall include:
  - (i) Promoters of the Company;
  - (ii) Directors of the Company;
  - (iii) 'Key Managerial Personnel' as defined in the Companies Act, 2013 of the Company & employees directly reportable to them excluding the administrative or support staff;

- (iv) Directors, Key Managerial Personnel as defined in the Companies Act, 2013 or CEO of the Material Subsidiary of the Company, if any;
  - (v) Secretaries of the Directors covered under Clause (ii) above;
  - (vi) Employees upto two levels below the 'Chief Executive Officer' of the Company including its subsidiary(ies), Associate(s) and Joint Venture(s) who has been authorised by the Board under Regulation 9(1) of the Insider Trading Regulations;
  - (vii) Employees upto two levels below the 'Chief Executive Officer' of the Material Subsidiary of the Company;
  - (viii) All the Employees in the 'Corporate Finance and Accounts team' of the Company including its subsidiary(ies), Associate(s) and Joint Venture(s);
  - (ix) Employees in Finance and Accounts Team of the respective Business Divisions who has access to 'Trial Balance' of Material Business Division of the Company;
  - (x) Employees in Secretarial Department of the Company including its subsidiary(ies), Associate(s) and Joint Venture(s);
  - (xi) Permanent invitees to the meetings of the Board of Directors of the Company;
  - (xii) Such other persons as may be notified by the Compliance Officer from time to time on the basis of their functional role in the Company and having due regard to the access that such role and function would provide to Unpublished Price Sensitive Information.
- (d) **"Immediate Relative"** means the spouse of the Designated Person, and includes parent, sibling and child of such Designated Person any of whom is either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.
- (e) **"Insider"** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.
- (f) **"Unpublished Price Sensitive Information ("UPS")"** 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 Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion

of business and such other transactions; and

- (v) changes in key managerial personnel;

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

## TRADING WINDOW

The Designated Person and his/ her Immediate Relative(s) shall trade in Securities of the Company only during a specific trading period called "Trading Window" to be specified by the Company. The Trading Window shall be closed during the time any of the following information is unpublished and which if published is likely to materially affect the price of the Securities of the Company:

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e) changes in key managerial personnel; and
- f) such other information as may be specified by the Compliance Officer for this purpose.

In respect of declaration of financial results, the Trading Window shall remain closed from the first day of the month following the respective quarter, half-year or financial year, as the case may be till 48 hours from the time the results are communicated to the Stock Exchanges on the date of the meeting. The gap between clearance of Financial Statements by Audit Committee and Board of Directors at their respective meetings should be as narrow as possible and preferably on the same day to avoid leakage of material information.

As regards matters falling in (b) to (f) mentioned above, the Executive Director/Chief Executive Officer/Chief Financial Officer shall, where required, well before initiation of such activity/project, form a core team of Designated Persons and/or designated group of persons who would work on such assignment. The Executive Director/Chief Executive Officer/ Chief Financial Officer shall also designate a senior Employee who would be in charge of the project. Such team members / other Employee privy to such information, will not trade in the Securities of the Company from the time the activity/project is deemed to be initiated till 48 hours after the price sensitive information regarding the activity/project is made public or till the activity/project is abandoned or not being pursued and the Trading Window would be regarded as closed for them and their Immediate Relatives.

When any of the matters falling in (b) to (f) mentioned above, reaches a stage where it is considered appropriate to place the proposal before the Board / Committee for approval, it is deemed to be initiated warranting closure of trading window for the team members/ other employee privy to such information and their Immediate Relatives. The closure of trading window for the team members/ other Employee(s) privy to such information and their Immediate Relatives would deemed to have commenced on a day the team decides to place the proposal before the Board / Committee or deems it fit to place the proposal before the Board / Committee for approval.

When the intimation is sent to the Compliance Officer that the project / proposal is proposed to be placed before the Board / Committee, he will intimate to team members/ other Employee privy to such information that the trading window shall be closed for them and their Immediate Relatives.

Irrespective of the day on which the Compliance officer is informed as mentioned above and irrespective of the day the Compliance Officer intimates the team members/ other Employee(s) privy to such information about the closure of trading window, the day the team decides to place the project / proposal before the Board / Committee or deems it fit to place the project / proposal before the Board / Committee, the trading window will be deemed to be closed for them and their Immediate Relatives.

The trading window for the Committee Members (in case the proposal is to be placed before the Committee) or all the Directors (in case the proposal is to be placed before the Board) and their Immediate Relatives will be closed from the time the Agenda is circulated to them.

Also, 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.

The trading window shall be opened 48 (forty-eight) hours after the information referred to above is made Generally Available or immediately after the activity/project is abandoned / not being pursued.

The Designated Persons and their Immediate Relative(s) shall conduct all their trading in the Securities only when the Trading Window is open and shall not trade in Securities during the period when Trading Window is closed or during any other period as may be specified by the Company from time to time.

In other cases the timing for closing and 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 48 (forty-eight) hours after the information becomes generally available.

Designated Persons shall execute trades subject to compliance with the Insider Trading Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the Designated Persons.

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 trades is above such thresholds as stipulated in "Pre-Clearance of Deals in Securities "Applicability" clause. The thresholds would be subject to review by the Board of Directors from time to time. No Designated Person shall apply for preclearance of any proposed trade if such Designated Person is in possession of Unpublished Price Sensitive Information even if the trading window is not closed.

Trading Window restrictions shall not apply to the following:-

- a. Off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of PIT Regulations (provided such UPSI was not obtained in terms of regulation 3(3) of the PIT Regulations) and both the parties had made a conscious and informed trade decision;
- b. Transaction carried out through block deal window mechanism between persons who were in possession of UPSI without breach of PIT Regulations (provided such UPSI was not obtained in terms of regulation 3(3) of the PIT Regulations) and both the parties had made a conscious and informed trade decision;
- c. Transaction carried out pursuant to statutory or regulatory obligation to carry out a bonafide transaction;
- d. Trades pursuant to trading plans set up in accordance with PIT Regulations;
- e. Pledge of shares for a bonafide purpose such as raising of funds;
- f. Transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations; and
- g. transactions undertaken in accordance with 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 or open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

If any of the transactions mentioned in paragraphs (a) to (e) above are proposed to be undertaken when the trading window is closed, such transaction may be undertaken

subject to compliance with all applicable regulations notified by SEBI from time to time and subject to obtaining pre-clearance from the Compliance Officer.

## PRE-CLEARANCE OF DEALS IN SECURITIES:

### Applicability:

Every Designated Person shall obtain a *pre-trading* approval as per the procedure prescribed hereunder for any Trading in the Securities of the Company proposed to be undertaken by such Designated Person / his / her Immediate Relatives. Such *pre-trading* approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) whether in one transaction or a series of transactions in any calendar quarter exceeds Rs. 25 lakhs (market value).

### Pre-trading Procedure:

For the purpose of obtaining a *pre-trading* approval, the concerned Designated Person shall make an application to the Compliance Officer. (The Compliance Officer should submit his/her application for *pre-trading* approval to the Managing Director.) Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for *pre-trading* approval with enclosures may e-mail at [cs@rustomjee.com](mailto:cs@rustomjee.com)

No Designated Person shall apply for *pre-trading* approval if such person is in possession of UPSI, even if the Trading Window is not closed.

### Approval:

- (a) The Compliance Officer shall consider the application made as above and shall approve it not later than the 7 Trading Day unless he is of the opinion that grant of such an approval would result in a breach of the Regulations. Such approval/rejection may preferably be conveyed through electronic mail and if no such approval / intimation of rejection is received within a period of 7 (seven) Trading Days, the applicant can presume that the approval is deemed to be given.
- (b) Every approval letter shall be issued in such format as may be prescribed by the Company from time-to- time. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval.

In the absence of the Compliance Officer due to leave etc., the Employee designated by him/her from time-to-time, not being below - one level below the CFO and part of the Finance or Compliance Department shall discharge the function referred to in (a) above.

## **Completion of Pre-cleared Trading:**

- (a) All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Company's Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. The Designated Person shall file within 2 (two) Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer. In case the transaction is not undertaken, a report to that effect shall be filed.
- (b) If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall make a fresh application, once again to the Compliance Officer for *pre clearance* of the transaction covered under the said approval.

## **Opposite transactions / Contra trade in the Securities:**

The Designated Persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction or contra trade i.e. sell or buy, as the case may be, any number of the Securities of the Company.

The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in writing in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed.

Notwithstanding the above, should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, 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 SEBI Act, 1992.

Provided that this restriction will not be applicable for trades conducted, pursuant to the exercise of stock options.

## TRADING PLAN

Any insider who may be perpetually in possession of Unpublished Price Sensitive Information shall be entitled to formulate trading plan enabling him/her to trade in Securities in a compliant manner. The Compliance Officer is required to review such trading plan to assess whether the trading plan will not potentially violate the Insider Trading Regulations. Trading plan approved by the Compliance Officer should be notified to the Stock Exchanges where Company's Securities are listed.

### **Trading Plan shall:**

- not entail commencement of trading on behalf of the Insider earlier than six months from the notification of the plan to the Stock Exchange;
- 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;
- entail trading for a period of not less than twelve months;
- not entail overlap of any period for which another trading plan is already in existence;
- 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
- not entail trading in Securities for market abuse.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved Trading Plan.

Provided further that, the trading window norms and restrictions on contra trade shall not be applicable for the trades carried out in accordance with an approved Trading Plan.

The Compliance Officer may seek express undertakings necessary for the assessment, approval, and implementation of the trading plan. An approved trading plan is irrevocable. Insider cannot execute any trade outside the scope of the trading plan.

Implementation of a trading plan shall not commence if any Unpublished Price Sensitive Information in possession of the insider at the time of formulation of the plan is not generally available at the time of implementation. Compliance officer may defer the commencement until such Unpublished Price Sensitive Information is generally available.



The trading plan of the Compliance Officer, if any, shall be presented to the Managing Director of the Company for approval.

## **Reporting Requirements for transactions in securities**

The persons mentioned below will be required to make the following disclosures to the Compliance Officer:

- a. Initial disclosure of Keystone Realtors Limited Securities held by every Promoters of the Company, Member of the Promoter Group, the Directors, Key managerial personnel and their Immediate Relatives, together with a disclosure of the names of the Immediate Relatives, to be made within thirty days of this policy come into force.
- b. Every person, within seven days of appointment as a Key Managerial Personnel or a Director of the Company or within seven days of becoming a Promoter or Member of the Promoter Group, shall make a disclosure in for the holding of Keystone Realtors Limited Securities held by them and their Immediate Relatives on their date of appointment or on becoming a Promoter or Member of the Promoter Group.  
In the event a new Immediate Relative relationship comes into being or any existing Immediate Relative ceases to be an Immediate Relative, the concerned Designated Person shall forthwith give a Notice in writing of such development to the Compliance Officer.
- c. Continual Disclosures: Every Promoter, Member of Promoter Group, Designated Person, shall disclose to the Company the number of Keystone Realtors Limited Securities acquired including allotment under Employee Stock Option Plans of the Company 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 Rs 10 lakhs (Rupees Ten Lakhs) in or in such form and manner as may be specified by the SEBI from time to time.  
On receipt of disclosure, the Company shall notify the particulars of such trading within two trading days to the stock exchanges.
- d. Annual Disclosures as on 31st March, each year in, to be made by 10th April of each year.

The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of five years.

The Compliance Officer is authorized to amend the Forms, as and when SEBI amends the forms, through circular / notification / enactment/ order, from time to time.