



CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING
Pursuant to Securities and Exchange Board of India
(Prohibition of Insider Trading Regulations 2015)

1. INTRODUCTION

Insider Trading is dealing (buying and/ or selling) in the Securities of the Company, by any connected or deemed to be connected persons while in possession of any Un-published Price Sensitive Information, in breach of a fiduciary duty or other relationship of a trust and confidence, to gain personal benefit out of such dealing.

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and any amendment thereof requires every listed company to formulate a code of conduct to regulate, monitor and report trading by its Designated Person and Immediate Relative of Designated Person towards achieving compliance with these regulations and enforce a code of internal conduct and procedures based on the model code provided therein.

In Compliance with the said requirements, the Company has introduced a code for prohibition of Insider Trading (hereinafter referred to as the “Code”).

This Code has been approved by the Board of Directors at its meeting held on October 31, 2020.

2. OBJECTIVE

Knowledge Marine & Engineering Works Limited (hereinafter referred to as “the Company”) endeavors to preserve the confidentiality and prevent the misuse of Un-published Price Sensitive Information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every director, officer, Designated Person and Connected Person of the Company has a duty to safeguard the confidentiality of all such information which he/ she obtained in the course of performance of official duties. Director, Officer, Employee and Connected Person of the Company should not use their position to gain personal benefit. To achieve these objectives, the Company hereby notifies this **Code of conduct**.

3. DEFINITIONS

- a) “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) “**Board**” means the Securities and Exchange Board of India.
- c) “**Code**” means the Code of Conduct for prevention of Insider Trading, as notified hereunder, including any amendments/ modifications made from time to time.
- d) “**Company**” means Knowledge Marine & Engineering Works Limited.

- e) **“Compliance officer”** means the Company Secretary of the Company or any other senior level employee who shall be directed by the Board of Directors of the Company to act as such and designated as the compliance officer of the Company.
- f) **“Connected Person”** means the persons so defined in the Regulation 2(d) of SEBI (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to the Company. SEBI (Prohibition of Insider Trading) Regulations, 2015 is attached as *Annexure 1*.
- g) **“Designated Person”** shall include person identified by the Board of Directors in consultation with the Compliance Officer based on his/her role and function in the organization and the access to unpublished price sensitive information and shall also include:.
- (i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
 - (ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
 - (iii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
 - (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information; and
 - (v) Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.
- h) **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- i) **“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.
- j) **“Insider”** means any person who is a Connected Person or in possession of or having access to unpublished price sensitive information.
- k) **“Legitimate purpose”** shall include sharing of unpublished price sensitive information 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.
- l) **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Section 2(69) of the Companies Act, 2013 or any modification thereof.
- m) **“Proposed to be listed”** shall include securities of an unlisted company:
if such unlisted company has filed offer documents or other documents as the case may

be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
if such unlisted company is getting listed pursuant to any merger or amalgamation and filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013.

- n) **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- o) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- p) **“Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- q) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- r) **“Trading day”** means a day on which the recognized stock exchanges are open for trading.
- s) **“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:
- financial results;
 - dividends;
 - Change in capital structure; mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
 - changes in key managerial personnel;
- t) **“Key Managerial Personnel”**, in relation to the Company, means:
- (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer as may be prescribed
- u) **“Calendar Quarter”** means a period of 3 consecutive calendar months, ending with the last day of March, June, September or December.
- v) **“Working Day”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of the company are listed.

- w) **“officer of the Company”** includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the board of directors or any one or more of the directors is or are accustomed to act.

Words and phrases used in the Code and not defined hereinabove shall have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

4. Compliance officer:

4.1. The Compliance officer shall report to the board of directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.

4.2. The Compliance Officer shall be responsible for setting forth the policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the Company.

4.3. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

5. Preservation of Unpublished Price Sensitive Information

5.1 All information shall be handled within the Company on a need-to-know basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of his legal obligations.

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.

Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the board of directors of the listed Company is of informed opinion that the sharing of such information is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the listed Company is of informed opinion that the sharing of such

information is in the best interests of the Company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the sharing of such information being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.

However, the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of Unpublished Price Sensitive Information.

5.2 Limited access to confidential information - All manual files containing confidential information shall be kept secure. All computer files must have adequate security.

5.3 The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be 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 databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

6. Prevention of Misuse of “Unpublished Price Sensitive Information”

6.1. No Insider shall

- (i) Trade in Securities of the Company either on their own behalf or on behalf of any other person when in possession of any Unpublished Price Sensitive Information. 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; or
- (ii) Communicate, provide or allow access to any Unpublished Price Sensitive Information, relating to the Company or Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

6.2. The restriction in 6.1. (i) shall not apply to:

- a transaction that is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of Clause 5.1 above and both parties had made a conscious and informed trade decision;
- a transaction that 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 Clause 5.1 above and both parties had made a conscious and informed trade decision;
- a transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;

- a transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations; and
- a transaction was carried out pursuant to a trading plan as mentioned below in Clause 6.3.

6.3. Trading Plan:

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.

6.3. 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 Company 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.

6.4. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take expressed undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

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

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

6.5. 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the plan shall be deferred until such Unpublished Price Sensitive Information becomes generally available information. Further, the Insider shall also not be allowed to deal in Securities of the Company, if the date of trading in Securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced

by the Compliance Officer.

6.6. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

7. Trading Window:

7.1. The Compliance Officer shall notify a 'trading window' during which the Insiders may trade in the Company's Securities in accordance with this Code.

7.2. Insiders shall not trade in the Company's Securities when the trading window is closed.

7.3. Unless otherwise specified by the Compliance Officer, the trading window would be closed in the following events, the duration of which shall be in accordance with 7.4 below:

- (a) declaration of financial results (quarterly and annual), standalone and consolidated, of the Company;
- (b) intended declaration of dividends, whether interim or final;
- (c) Change in capital structure
- (d) Merger, demerger, acquisition, delisting, disposal of whole or substantially the whole of the undertaking and major expansion of business.
- (e) Any change in Key Managerial Personnel's.
- (f) Issue of Securities by way of public, bonus, rights etc. or buy-back of securities;

7.4 The trading window shall be closed for the board meetings in which matters related to Unpublished Price Sensitive Information or the matters for which trading window is to be closed may be discussed and decided. The trading window shall be closed either from the date of intimation of the board meeting to the Stock Exchanges or the date of notice sent to the directors or as per the Insider Trading Regulations or LODR Regulations whichever is earlier.

7.5. The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Person can reasonably be expected to have possession of Unpublished Price Sensitive Information.

7.6. The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

8. Pre Clearance of Trade in Securities:

When the trading window is open, trading by Designated Person shall be subject to preclearance by the Compliance Officer, if the value of the securities traded, whether in one transaction or a series of transaction over any calendar quarter aggregates to a traded value in excess of Rs. 10 lakhs.

The pre-dealing procedure shall be hereunder:

- A Designated Person shall make a pre-clearance application to the Compliance Officer in the prescribed format Form 1 along with an undertaking stating that he/she has not contravened the provision of this Code.
- If any person covered by the Code, obtains any Unpublished Price Sensitive Information after executing the undertaking but prior to transacting in Securities of the Company, he/she shall inform the Compliance Officer and refrain from dealing in Securities of the Company.
- All the persons covered by the Code shall execute their order **within 7 trading Days of pre clearance of trade**. If the transaction is not executed within 7 trading Days of such clearance, fresh approval of the Compliance Officer is required.

All Designated Person shall conduct their dealings in the Securities of the Company only in the "Valid Trading Window" period and shall not enter into "Contra Trade" i.e. opposite or reverse transactions, in the Securities of the Company during the next six months following the prior transaction. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. Provided that this shall not be applicable for trades pursuant to exercise of stock options.

9. Disclosure Requirements:

9.1 Initial Disclosure:

Every Promoter, Key Managerial Personnel and Director of the Company and any other person for whom such person takes trading decisions shall disclose his holding of securities of the Company as on the date of these regulations taking effect, within 30 days in Form A;

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of Securities of the Company and any other person for whom such person takes trading decisions as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a Promoter in Form B.

9.2 Continual Disclosure:

Every Promoter, Designated Person and director of Company and any other person for whom such person takes trading decisions shall disclose to the Company the number of such 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 ten lakh rupees or such other value as may be specified by the Compliance Officer from time to time in Form C.

9.3 Disclosure by the Company to the Stock Exchange(s):

The Company shall notify the particulars of trading as mentioned in clause 9.2 to all the stock exchanges on which the Securities of the Company are listed within 2 (two) trading days of receipt of the disclosures or becoming aware of such information.

10. Institutional Mechanism for prevention of Insider Trading:

10.1. The Compliance Officer shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements in these regulations to prevent insider trading.

10.2. The Audit Committee shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

10.3. The Company shall formulate written policy and procedures for inquiry in case of leak of unpublished price sensitive information.

10.4. The Company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

10.5. The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors / designated employees for a minimum period of five years.

10.6. The Compliance Officer shall place before the Audit Committee, on a quarterly basis all the details of the dealing in the securities by the employees / director / officer of the company.

10.7. Designated Person shall be required to 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:

- (a) immediate relatives
- (b) persons with whom such designated person shares a material financial relationship
- (c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated person have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation–The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

10.8. Designated person should be made aware of the duties and responsibilities attached to the receipt of inside information and the liability that attaches to misuse or unwarranted use of such information.

11. Penalties:

11.1. An Insider who acts in contravention of this Code of shall be liable to have his/her services or relationship with the Company, as the case may be, terminated.

11.2. Directors, Officers and Employees of the Company who violate this Code shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback and ineligibility for future participation in the Company’s stock option plans or termination.

11.3. The SEBI or any other appropriate regulatory authority would also be informed of the violation of these Regulations so that appropriate action may be taken.

Prevention of Insider Trading

Pre clearance of trades

FORM 1

SEBI (Prohibition of Insider Trading) Regulations, 2015

The Compliance Officer

_____ Ltd.
Address: _____

SUB: APPLICATION FOR TRADING IN SECURITIES OF THE COMPANY

Dear Sir,

I, _____ Director / Employee of the Company, propose to trade in the Securities of the Company as per details hereunder:

Relationship with Employee / Director (in case of :
relation)

No. of shares held by the person as on date of the :
application

Date of Last Disclosure :
DP ID :
Client ID :

Particulars of proposed transaction in shares of the Company:

Number of shares held before the Proposed Transaction (A)	Number of shares proposed to be Sold (B)	Number of shares proposed to be acquired (C)	Balance holding (A)+(C)/(A)-(B)

I confirm that:

- i) I and my relatives (We) do not have access to any price sensitive information and have complied with the code of conduct for prevention of insider trading as specified by the Company from time to time.
- ii) I/We shall execute the trade of shares within 7 trading days of your approval failing which we shall apply again to you for your approval.

- iii) I/We shall hold shares of the Company for a minimum period of 6 months from the date of acquisition (applicable in case of purchase of shares).
- iv) I have not entered into any opposite transaction in the previous six months and I shall not execute a contra trade within six months from execution of the proposed transaction.

I/We further confirm that the aforesaid facts are true and correct and shall be fully responsible for any wrongful acts done by me or my relatives including such penalties as may be imposed by the Company.

You are requested to provide the pre-clearance of trade for the above transaction.

Thanking you,
Yours sincerely,

Signature:
Name:
Date:
Place:

Approval/ Rejection of Pre-Clearance

I _____, Compliance officer of the Company hereby _____ (Approve/Reject) the above application.

Reasons for rejection, if any: _____

Place

Signature

Date

Compliance officer

Reporting of trades executed as per pre-clearance or decisions not to trade after securing pre-clearance

Date of receipt of pre-clearance approval	
Whether trade executed	Yes <input type="checkbox"/>
	No <input type="checkbox"/>
In case, 'Yes', please fill in details below	
Date of purchase/ sale as per pre-clearance	
No. of shares purchased	
No. of shares sold	
Balance shares held post sale / purchase	
In case, 'Yes', please fill in details below	
Reasons for not trading as per pre-clearance	

Signature
Name

Place
Date

Application for relaxation from holding Shares of the Company for period of 6 months

Application for relaxation from holding Shares of the Company for period of 6 months as per details hereunder:

Number of Shares held in the Company	
Number of Shares of the Company proposed to be sold	
Date of last purchase	
Balance shareholding	
Name of Depository participant & DP ID No. through whom Shares are proposed to be sold	
DP ID / Client ID No	
Reasons in details for waiver	

Declaration:

I confirm on my own behalf and on behalf of my _____ (*mention relation*) or _____ (*any other person*) that I do not have access to any unpublished price sensitive information and have complied with the Code of Conduct for Insider Trading as specified by the Company from time to time;

I further confirm that the aforesaid facts are true and correct and shall be fully responsible for any wrongful acts of my Dependents including such penalties as may be imposed by the Company.

Signature
Name

Place
Date

Approval/Rejection of application for relaxation from holding Shares of the Company for period of 6 months

I, _____ Compliance officer of the Company hereby _____ (Approve/Reject) the above application.

Reasons for approval I rejection:

Place
Date

Signature
Compliance officer

Connected Person shall mean:

(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 more than ten per cent of the holding or interest;