



## **KENNAMETAL INDIA LIMITED**

### **CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING IN SECURITIES BY DESIGNATED PERSON AND THEIR IMMEDIATE RELATIVES**

**Amended and effective May 11, 2022**

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## I. Preface

This Kennametal India Limited ('KIL') code of conduct for regulating, monitoring and reporting of trading in securities by designated person, their immediate relatives (the 'Code') has been adopted by Kennametal India Limited (the 'Company' or 'KIL') pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto. The purpose and intent of the Code is to regulate, monitor and report trading in securities of the Company by its designated person and immediate relatives of the Designated Persons towards achieving compliance of these Regulations, adopting the minimum standards set out in Schedule B of the Regulations, 2015. This code is to ensure the compliance of the regulations by Designated Persons & their Immediate Relatives and to ensure transparency and fairness in all transactions relating to trading of the company's securities.

This Code has come into force effective May 15, 2015 and was applicable to all the Directors / Officers / Employees of the Company and other Connected Persons.

This Code has been amended on April 1, 2019, May 12, 2021, February 3, 2022 and further amended on May 11, 2022 and will be applicable to all the Designated Persons and their Immediate Relatives.

This Code is formulated pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 [**"SEBI (PIT) Regulations"**]. It will be responsibility of each Designated Person to ensure compliance of SEBI (PIT) Regulations, codes thereon and guidelines as issued time to time.

## II. OBJECTIVES OF THE CODE

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 seek to govern the conduct of Designated Persons and their Immediate Relatives on matters relating to Insider Trading. Insider Trading involves trading in the securities of a company listed or proposed to be listed, by any persons in possession of or with access to unpublished price sensitive information not available to the general public, who can take advantage of or benefit from such unpublished price sensitive information. Trading in securities by an 'insider' is regarded unfair when it is predicated upon utilization of 'inside' information to profit at the expense of other investors who do not have access to the same information.

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the Regulations in order to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with the Regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

### III. Definitions

- a) "Act" means the Securities & Exchange Board of India Act, 1992
- b) "Board" means the Board of Directors of the Company.
- c) "Code" or "Code of Conduct" shall mean KIL Code of Conduct for Regulating, Monitoring and Reporting of trading in securities by designated person, immediate relative of that designated person" as amended from time to time.
- d) "Company" means Kennametal India Limited
- e) "Companies Act", means the Companies Act, 2013 and amendments thereto.
- f) "Compliance officer" means Company Secretary of the Company or in absence of Company Secretary, any senior officer, designated so and reporting to the Board of Directors or head of the organization (where there is no board ), who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of 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 listed company or the head of an organization, as the case may be.

Explanation – For the purpose of this code, "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."

- g) "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 more than ten per cent, of the holding or interest;

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the Company and its Officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

- h) "Dealing in Securities" means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

- i) Designated Person means and includes:
- a) Members of the Board of Directors of KIL
  - b) Chief Executive Officer (CEO), Company Secretary, Chief Financial Officer (CFO), members of the India Leadership Council (ILC) of the Company (as may be defined by the Company from time to time) and one level below ILC and employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information.
  - c) Employees of the Accounts, Finance, Legal & Secretarial Department on the basis of their functional role or access to unpublished price sensitive information as may be determined and informed by the Compliance Officer.
  - d) CFOs & CEOs and Company Secretary of the Holding Company, Subsidiary Company, Associate Company\* and Joint Venture
  - e) Head of Internal Audit Department, Legal Department
  - f) Secretaries/Executive Assistants reporting to the Chairman or the Managing Director/Whole Time Director/CFO/CS
  - g) All Departmental Heads of the Company (For e.g. Finance Head, Purchase Head, Sales Head etc.)
  - h) Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, to be decided by the Managing Director / Compliance Officer on a case-to-case basis
  - i) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their Board of Directors.
  - j) All Promoters of the Company
  - k) Executive Leadership Team at Kennametal Inc., Ultimate Holding Company of KIL to be decided by majority of the Key Managerial Personnel of the Company on a case-to-case basis.
  - l) Any support staff of the Company, such as IT staff or secretarial staff Legal Staff, Finance Staff, Human Resource staff, Strategy Staff on the basis of their functional role or access to unpublished price sensitive information as may be determined by the Compliance Officer
  - m) Immediate relative (as defined in SEBI Regulation) of (a) to (l) above;
  - n) Such other persons as may be determined and informed by the Compliance Officer from time to time.

\*Associate Company means a Company in which KIL has a significant influence, but which is not a subsidiary company of the KIL having such influence and includes a Joint Venture Company.

Explanation—For the purpose of this clause;

- a) the expression "significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement;
  - b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- j) "Director" means a member of the Board of Directors of the Company.

- k) "Employee" means every employee of the Company including the Directors in the employment of the Company.
- l) "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.
- m) "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;

**Note:** If spouse is financially independent and doesn't consult an insider while taking trading decisions, the spouse won't be exempted from the definition of immediate relative. A spouse is presumed to be an "immediate relative", unless rebutted so.

- n) "Insider" means any person who is:
  - i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information; and
  - iii) any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

It is clarified that any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purpose of this code.

- o) "Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013
- p) "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2018 or any modification thereof;
- q) "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;
- r) "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- s) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

- t) "Trading day" means a day on which the recognized stock exchanges are open for trading;
- u) "Unpublished price sensitive information" or "UPSI" 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, delistings, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel; and
  - (vi) material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- v) "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

Words and expressions used and not defined in these regulations but defined in 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.

#### **IV. Role of Compliance Officer**

The Compliance Officer shall report to the Board of Directors 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 maybe stipulated by the Board of Directors.

The Compliance Officer shall be responsible for:

- a) Setting forth policies in consultation with the Audit Committee
- b) Prescribing procedures for various activities referred to in the code
- c) To administer the code of conduct and other requirements under the Regulations



- d) Monitoring adherence to the Rules for preservation of Unpublished Price Sensitive information
- e) Implementation of the code under the general supervision of the Audit Committee
- f) Review and approve the Trading Plan formulated by the insider and monitor the implementation of the same.
- g) Upon approval of the Trading Plan, notifying the Stock Exchanges on which the securities are listed.
- h) Closing of the trading window 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.
- i) Grant of pre-dealing approvals to the Designated Persons for dealings in the Company's Securities by them/their dependents and monitoring of such dealings.
- j) Maintaining a record (in electronic form) of the Designated Persons and changes thereto from time-to-time.
- k) Assisting all the Employees in addressing any clarifications regarding the Regulations and this Code.
- l) Placing of status reports before the Audit Committee, detailing dealings in the Securities by the Designated Persons along with the documents that such persons had executed in accordance with the pre-dealing procedure prescribed under the Code on a quarterly basis

The Compliance Officer shall have all the powers as are prescribed by law and also to ensure that this code is put to into practice and to do all things deeds, matters, acts and things necessary to give effect to these regulations in true spirit and all things incidental and ancillary thereto.

#### **V. Restriction on Communication and Trading by Insiders**

1. No Designated Person and/or their Immediate Relatives shall communicate, provide or allow access to any unpublished price sensitive information, relating to the Company. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a Company or securities listed or proposed to be listed, except in furtherance of Legitimate Purposes (as defined in the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information), performance of duties or discharge of legal obligations.
2. All information shall be handled within the Company on a need-to-know basis and no Designated Person &/or their Immediate Relatives shall communicate or

provide, or allow access to any unpublished price sensitive information, relating to the Company or securities of the Company, to any person including other insiders except where such communication is in furtherance of the Legitimate Purposes, performance of duties or discharge of his legal obligations.

3. Any inducement and procurement of unpublished price sensitive information not in furtherance of one's legitimate duties and discharge of obligations would be illegal under this code.
4. Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
  - (i) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
  - (ii) not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction 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 proposed transaction being effected in such form as the Board of Directors may determine.

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 purpose of aforesaid sub-clause (ii) and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

5. Need to Know:
  - (i) "need to know" basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
  - (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

#### 6. Maintenance of confidential information

Physical and manual documents/files containing confidential information should be kept secure. Electronic files containing confidential information must have adequate security of login and password, etc.

## **VI. Prevention of misuse of “Unpublished Price Sensitive Information”**

### **1. Trading Plan**

A Designated Person and/or their Immediate Relatives shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

### **2. Trading Plan shall:**

- i) not entail commencement of trading on behalf of the Designated Person and/or their Immediate Relative earlier than six months from the public disclosure of the plan;
- ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results. Example: For quarter ended June 30 the result announcement date is August 10, then Designated Person and/or their Immediate Relative cannot execute his trading plan between June 10 to August 12.
- 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.

### **3. The Compliance Officer shall review the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express 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.

### **4. The Trading Plan once approved shall be irrevocable and the Designated Person and/or their Immediate Relative shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.**

Provided, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Designated Person and/or their Immediate Relative 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 Designated Person and/or their Immediate Relative 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.

5. Upon approval of the trading plan, the compliance officer shall notify the plan to Stock Exchange on which the securities are listed.

#### 6. Trading by Portfolio Managers

This Code is also applicable to Designated Person and/or their Immediate Relative who engage Portfolio Managers to trade in shares and hence the Designated Person and/or their Immediate Relative are expected to take due precaution while trading in securities through Portfolio Managers by:

- i) Informing the Portfolio Managers about closure of trading window.
- ii) Ensuring to seek pre-clearance, wherever applicable, when the Portfolio Manager proposes to trade in the KIL's shares exceeding threshold limit and also make continual disclosures, wherever applicable, as provided in this Code.
- iii) Ensuring that the portfolio manager abides by the requirement of minimum holding period and not do contra trade as provided in this Code.
- iv) Prohibiting the Portfolio manager to trade in securities of KIL at his own discretion or when the Designated Person and/or their Immediate Relative is in possession of UPSI. Despite the above, if any trading is done by portfolio managers, it will be treated as trading done by the Designated Person and/or their Immediate Relative, and therefore the Designated Person and/or their Immediate Relative will be held responsible for any such non-compliance and subject to such penalties as specified in this Code.

### **Institutional Mechanism for Prevention of Insider trading**

- 6.1 The Managing Director along with the Compliance Officer shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the SEBI (PIT) Regulations to prevent insider trading. There shall be periodic process to review and the evaluate effectiveness of such internal controls. The Board of Directors of KIL shall oversee the effectiveness of internal controls at least once in a year. The Audit Committee of the Board of KIL shall review the compliance with SEBI (PIT) Regulations from time to time.

- 6.2 To see to it that any leakage of material information is obviated, the gap between Audit Committee meeting and Board meeting shall not be more than one day or such other timeline as may be decided by the Board from time to time. The objective should be to keep the gap between the two meetings as narrow as possible.
- 6.3 The trading window shall be closed when the compliance officer determines that any Designated person can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- 6.4 Trading restriction period can be made applicable from the end of every quarter till 48 hours after the declaration of financial results.
- 6.5 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 the board of directors may stipulate.
- 6.6 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 6.7 Trades that have been pre-cleared by the Compliance Officer will have to be executed the Designated Person within 7 days of approval, failing which fresh pre-clearance would be needed for the trades to be executed.
- 6.8 Every Designated Person who is permitted to trade shall not execute a contra trade within a period of six months from the date of the first trade. The compliance officer shall be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the SEBI (PIT) Regulations.

## **VII.Trading Window and Window Closure**

1. a. 'The trading period' means the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.
- b. The trading window shall be, inter alia, closed during the following period:
  - (i) From the closure of the quarter/ half year/ year and upto 48 hours after the date on which the results for the respective quarter/ half year/ year as the case may be is announced to the Stock Exchange;

- (ii) Seven (7) days prior to the date of the Board Meeting and up to 48 hours after the date of the Board meeting at which proposal on any matter which has a bearing on the price of security is considered: example: recommendation of dividend / interim dividend / bonus shares / right shares/ further issue of shares/ amalgamation/ merger /takeover, etc.
    - (iii) Two (2) days prior to the date of the Board Meeting up to 48 hours after the date of the Board meeting at which proposal on buyback of shares is considered.
    - (iv) In addition to the above, the Compliance Officer may in consultation with the Managing Director, declare the Trading Window closed, on an “as-needed” basis for any reason.
    - (v) Trading Window shall be also closed for the designated person or class of designated persons when the Compliance Officer determines that the designated persons or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information either due to being part of any special project or otherwise. The Trading Window shall be opened not earlier than 48 hours after the information becomes generally available or when it is finally decided to abandon the project.
  - c. During the trading window closure period the Designated Persons and their Immediate Relatives shall not trade in the Company’s securities during such period subject to certain exceptions as have been laid out in the SEBI (PIT) Regulations. When a Delinquent person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information.
  - d. Designated Persons and their Immediate Relatives shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company’s securities during the periods when the trading window is closed, as referred to in Point No. b above or during any other period as may be specified by the Company from time to time.
2. The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
3. 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.

4. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

#### **VIII. Digital Database of Recipient of UPSI**

1. The Compliance Officer shall be responsible to maintain a structured digital database of such persons or entities as the case may be with whom information is shared under this Regulation, which shall contain the following information:
  - Name of such recipient of UPSI
  - Name of the Organization or entity to whom the recipient represents
  - Postal Address and E-mail ID of such recipient
  - Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.
  - Nature of UPSI
2. The Compliance Officer shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.
3. Designated Persons shall disclose names and PAN or other identifier authorized by law, of the following persons on annual basis and as and when the information changes;
  - Designated person him/herself
  - Immediate relatives of Designated Person
  - Persons with whom such Designated Person(s) has a material financial relationship
  - Phone/cell numbers which are used by them

**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 (12) 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.

4. The Board 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 Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.



## IX. Pre-clearance of trades

All Designated Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above 500 shares or up to Rs. 5 Lakhs (market value), whichever is less in one transactions or series of transactions over any calendar quarter, should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade. The pre- dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form as specified in **Annexure 1** to this code to the Compliance officer indicating the estimated number of securities that the Designated Persons or Employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
- (ii) An undertaking shall be executed in favour of the Company by such Designated Persons or Employee incorporating, *inter alia*, the following clauses, as may be applicable:
  - (a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
  - (b) That in case the Designated Persons or Employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
  - (e) Format of undertaking is attached as **Annexure 2** to this code.
- (i) Designated Person(s) shall execute their order in respect of securities of the Company within one week after the approval of pre- clearance is given as per **Annexure 3**.



- (ii) The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed format attached as **Annexure 4** to this code. In case the transaction is not undertaken, a report to that effect shall be filed.
- (iii) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.
- (iv) All Designated Persons who buy or sell any number of shares of the Company shall not enter into a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- (v) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

## **X. Disclosure of Trading by Designated Person and/or their Immediate Relative**

### **General provisions**

- 1) The disclosures to be made by any person under this code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 2) The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code. Provided that trading in derivatives of securities is permitted by any law for the time being in force.
- 3) The disclosures made under this code shall be maintained for a period of five years.

### **Initial Disclosures:**

Every person on appointment as a Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group and immediate relatives of such persons and by other such persons as mentioned in Regulation 7(1)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time shall disclose his / her holding of securities to the company within seven days of such change in the prescribed Form B (**Annexure 5**)

**Continual Disclosures:**

Details of any change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of the Company and immediate relatives of such persons and other such persons as mentioned in Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time shall be disclosed to the Company 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 500 shares or up to Rs. 5 Lakhs in the prescribed Form C (**Annexure 6**)

The disclosure shall be made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

**Disclosure by the Company to the Stock Exchange(s)**

1. Within 2 days of the receipt of intimation under the regulation of Continual disclosure, the Compliance Officer should disclose the information received to all Stock Exchanges on which the Company is listed.
2. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated person for a minimum period of five years.

**Disclosures by other Connected persons:**

The Compliance Officer may require any other Connected Persons to make disclosures of holdings and trading in securities of the Company in the prescribed Form D (**Annexure 7**) at such frequency as may be determined by him in order to monitor compliance with these regulations.

**Disclosures by Designated persons:**

All Designated persons shall furnish in the prescribed form to the Compliance Officer details of their holding of securities and transactions in the securities of the Company on an annual basis. This disclosure must be made within 30 (thirty) days from the closure of the financial year.

## **XI. Dissemination of Price Sensitive Information**

1. No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
2. Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors:

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

## **XII Consequences of Default / Penalty for contravention of the code of conduct**

1. Every Designated 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 Designated 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. Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, 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.

In any non-adherence is observed, the Compliance Officer shall cause an internal enquiry and if non-compliance is established, he shall report to the Chairman/ Managing Director / CEO and after further inquiry or investigation or direction, the Chairman / Managing Director / CEO will decide further course of action including reporting to the Board of Directors.

In case of any non-observance of this code by any Director, the same shall be decided by the Board.

In case the Board of Directors of the Company observes and determines that there has been violation of this code and Regulations, the Board would promptly inform the stock exchange(s) where the Company's securities are listed, in such form and such manner as may be specified by the SEBI from time to time, about such violation, as per the Regulations and any amount collected for such violation shall be remitted to SEBI to the Investor Protection and Education Fund (IPEF) administered by SEBI under the Act.

Any violations under the PIT Regulations and this Code will be reported by the Compliance Officer to SEBI.

**XIII. AMENDMENTS:**

The Board may, at any time, modify, alter and amend the provisions of this Code by giving notice of such modification, alteration and amendment to the Designated Persons.

**ANNEXURE 1****SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL**

Date:

To,  
The Compliance Officer,  
Kennametal India Limited  
Bangalore

Dear Sir,

**Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and KIL Code of Conduct for Regulating, Monitoring and Reporting of trading in securities by employees and other Designated persons, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1	Name of the applicant	
2	Designation	
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
6	Proposed date of dealing in securities	
7	Estimated number of securities proposed to be acquired/subscribed/sold	
8	Price at which the transaction is proposed	
9	Current market price (as on date of application	

10	Whether the proposed transaction will be through stock exchange or off-marketdeal	
11	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	
12	Stock Derivative- lot size as notified given by exchanges a) Stock Future – No. of units, Price & Expiry Date b) Stock Option- No. of units, Put/ Call, Strike price & Expiry Date	
13	PAN and Mobile No.	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of employee)

**ANNEXURE 2****FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE  
APPLICATION FOR PRE-CLEARANCE  
UNDERTAKING**

To,

Kennametal India Limited  
Bangalore

I, \_\_\_\_\_, \_\_\_\_\_ of the  
Company residing at \_\_\_\_\_,  
am desirous of dealing in \_\_\_\_\_ \* shares of the Company as mentioned in  
my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished  
Price Sensitive Information (as defined in the Company's Code of Conduct for  
prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed  
as "Price Sensitive Information" as defined in the Code, after the 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 dealing in  
the securities of the Company until such information becomes public.

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

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 deal within 7 days of the receipt of approval  
failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date :

Signature: \_\_\_\_\_

\* Indicate number of shares

**ANNEXURE 3****FORMAT FOR PRE - CLEARANCE ORDER**

To,

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Place : \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos.) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,  
for Kennametal India Limited

COMPLIANCE OFFICER

Date : \_\_\_\_\_

Encl: Format for submission of details of transaction



**ANNEXURE 4****FORMAT FOR DISCLOSURE OF TRANSACTIONS**

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

To,  
The Compliance Officer,  
Kennametal India Limited  
Bangalore

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date)

Name of holder	No. of securities dealt with	Bought/sold/subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. *(applicable in case of purchase / subscription)*.

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

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Name:

Designation:

**ANNEXURE 5**
**FORM B**

**SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a Key Managerial Personnel/Director/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 with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director / OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

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

**Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of 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 appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

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

Name & Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

ANNEXURE 6

**FORM C**  
**Securities and Exchange Board of India (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, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoter/ member of the promoter group/designated person/ Director s/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/ disposal 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.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of share holding	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	value	Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

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

**(ii)** Value of transaction excludes taxes/brokerage/any other charges

Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

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

Name & signature:

Designation:

Date:

Place:

# ANNEXURE 7

## Form D (Indicative format)

Securities and Exchange Board of India (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/ disposal of shares specify		Date of intimation to company	Mode of acquisition/d isposal (on market/ public/ rights/ Preferential offer / off market/ Inter- se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share holding	Type of securities (For eg. – Shares, Warrants Convertible Debentures, Rights entitlement, etc.)	No.	Value	Transaction Type (Purchase/Sale/ Pledge/ Revocation / Invocation/ Others- please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

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

(ii) Value of transaction excludes taxes/brokerage/any other charges

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)	
16	17	18	19	20	21	22

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

Name & signature:

Date:

Place: