

**KINETIC ENGINEERING LIMITED**

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Plot No. 18/2, H. K. Firodia Road, MIDC,
Chinchwad, Pune - 411 019. (India)

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CIN : L35912MH1970PLC014819

Website : www.kineticindia.com

To,
BSE Ltd.
Dept. of Corporate Services
Gr. Floor, P. J. Towers
Dalal Street, Fort
Mumbai - 400 001
Fax Nos. 022 - 22723121

Date: 22.07.2015

Scrip ID : 500240

Sub.: Confirmation of formulation of Codes under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Dear Sirs,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations, 2015") and SEBI Circular No. CIR/ISD/01/2015 dated 11th May, 2015, we wish to confirm that the Company has formulated:

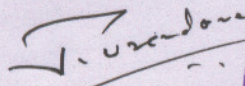
1. the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") as required under Regulations, 2015 and the same is published on the official website of the Company.
2. the Code of Conduct for Prevention of Insider Trading in Securities of Kinetic Engineering Limited as required under Regulation 9(1) of the Regulations, 2015.

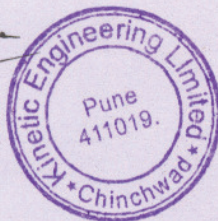
Further, in compliance with Regulations 8(2) of the Regulations, 2015, please find enclosed herewith the Code of Fair Disclosure for your records.

Thanking you,

Yours truly,

For **Kinetic Engineering Limited**


Rohit Purandare
Company Secretary



Encl.: A/a.

KINETIC ENGINEERING LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

Pursuant to notification of SEBI (Prohibition of Insider Trading) Regulations, 2015 requires a listed company to formulate and publish on its official website a “Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information” in adherence to the principles set out in Schedule A to the said Regulations.

Accordingly, the Kinetic Engineering Limited has formulated following Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:-

1. The Company shall ensure prompt public disclosure of UPSI that would impact price discovery, no Sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Company Secretary / Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information ‘generally available’.
5. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
7. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. The Company shall ensure the handling of all UPSI on a need-to-know basis.

This Code is subject to review from time to time.

CHAIRMAN

Pune

14 May 2015

**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING,
MONITORING AND REPORTING OF TRADING BY INSIDERS**

(Effective from 15th May 2015)

1. Definitions

1.1 "**Act**" means the Securities and Exchange Board of India Act, 1992.

1.2 "**Board**" means the Board of Directors of the Company.

1.3 "**Code**" or "**Code of Conduct**" shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Kinetic Engineering Limited as amended from time to time.

1.4 "**Company**" means Kinetic Engineering Limited ("KEL").

1.5 The term "**Regulations**" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.6 "**Compliance Officer**" means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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 Company.

1.7 "**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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

1.8 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in securities of KEL, and "trade" shall be construed accordingly.

1.9 Designated Person(s) shall include :

- (i) All members of the Board of Directors, all employees in the grade of Assistant General Managers and above;
- (ii) All employees in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- (iii) any other employee as may be determined and informed by the Compliance Officer from time to time.
- (iv) Dependent family members of (i) to (iii) above.
- (v) Insiders having possession of unpublished price sensitive information.

1.10 "**Director**" means a member of the Board of Directors of the Company.

1.11 "**Employee**" means every employee of the Company including the Directors in the employment of the Company.

1.12 "**Generally available Information**" means information that is accessible to the public on a non-discriminatory basis.

- 1.13 "**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
- 1.14 "**Insider**" means any person who is:-
(i) a connected person; or
(ii) in possession of or having access to unpublished price sensitive information.
- 1.15 "**Key Managerial Person**" means person as defined in Section 2(51) of the Companies Act, 2013
- 1.16 "**Promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof:
- 1.17 "**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;
- 1.18 "**Takeover regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.19 "**Trading Day**" means a day on which the recognized stock exchanges are open for trading;
- 1.20 "**Unpublished Price Sensitive Information**": means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: -
(i) financial results;
(ii) dividends;
(iii) change in capital structure;
(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
(v) changes in key managerial personnel; and
(vi) material events in accordance with the listing agreement.

2. Role of Compliance Officer

- 2.1 The Compliance Officer shall report on insider trading 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.

2.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

3. Preservation of "Price Sensitive Information"

3.1 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 insider's legitimate purposes, performance of duties or discharge of his legal obligations.

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 Company is of informed opinion that the proposed transaction 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 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

3.2 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.

3.3 Confidentiality of information and procedures to be adopted :

All work centres / assets / Units / Plants / Institutes / Departments etc of KEL dealing in confidential information shall adopt and put in place suitable measures (which may include providing restricted access controls, passwords, firewalls, bio-metric access etc) to ensure that the confidential information in their possession does not get disseminated either directly, indirectly, covertly or overtly. Concerned head of the department shall be responsible to ensure that adequate security measures are implemented at all places which handle / deal in such confidential / unpublished price sensitive information either frequently or otherwise.

4. Prevention of misuse of “Unpublished Price Sensitive Information”

Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the Company shall be governed by an internal code of conduct governing dealing in securities.

4.1 Trading Plan:

An insider 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.

4.2 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 issuer of the securities 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.

4.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these Code and "**Regulations**" and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

4.4 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.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of this Code or "**Regulations**".

4.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

5. Trading Window and Window Closure:

5.1 (i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.

(ii) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.

(iii) When the trading window is closed, the Designated Persons shall not trade in the Company's securities in such period.

(iv) All Designated Persons 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. (ii) above or during any other period as may be specified by the Company from time to time.

(vi) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

5.2 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.

5.3 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.

5.4 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.

5.5 The notice of closure and opening of trading window shall be intimated to the Stock Exchanges and uploaded on the website of KEL.

6 Pre-clearance of trades

6.1 All Directors, Officers, 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 25,000 shares or up to Rs. 10 Lakhs (market value), whichever is less, 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 (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Director / Officer / Designated Persons 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 (Annexure 2) shall be executed in favour of the Company by such Director / Officer / Designated Persons 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 Specified 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.
- (iii) All Director / Officer / Designated Persons and their shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance is given.
- (iv) If the order is not executed within seven trading days after the approval is given, the Director / Officer / Designated Persons must pre-clear the transaction again.
- (v) All Director / Officer / Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Director / Officer / 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.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

- (vi) In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing the reasons in this regard provided that such relaxation does not violate the “**Regulations**”.

However, no such sale will be permitted when the Trading window is closed.

7 Other Restrictions

7.1 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.

7.4 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.

7.3 The disclosures made under this Code shall be maintained for a period of three years.

8 Reporting Requirements for transactions in securities

Initial Disclosure at the time of Joining

8.1 Every person on appointment as a key managerial personnel or a director (including that of his dependent family members) of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter in the prescribed Form (Annexure 3)

Continual Disclosure for any change in shareholding

8.2 Every promoter, employee and director of the Company 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 Rs. Ten lakhs or such other value as may be specified.

Annual Disclosure

8.3 Annual statement of all holdings (including that of his dependent family members) in securities /Position taken in derivatives of the Company as on 31st March be furnished within 7 days of the close of the financial year in the prescribed Form (Annexure 6)

9. Disclosure by the Company to the Stock Exchange(s)

9.1 The Compliance Officer shall within *two working* days of receipt of (8.1) initial disclosure above and (8.2) periodical disclosure of change in shareholding above, shall disclose to all stock exchanges on which the Company is listed, the information received as above.

10. Penalty for contravention of the code of conduct

10.1 Every Director / Officer / Designated Persons 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).

10.2 Any Director / Officer / Designated Persons 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.

10.3 Director / Officer / Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

10.4 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.

ANNEXURE 1
SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

To
The Compliance Officer
Kinetic Engineering Limited
Pune - 411019.

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, 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-market deal		
11	Folio No. / DP ID / Client ID No. where the securities will be credited / debited		

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

Signature

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

To
The Compliance Officer
Kinetic Engineering Limited
Pune - 411019.

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 four 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

**PROFORMA FOR INITIAL DISCLOSURE OF DETAILS OF SHARES HELD BY
DIRECTORS / OFFICERS / DESIGNATED PERSONS.**

To
The Compliance Officer
Kinetic Engineering Limited
Pune - 411019.

Dear Sir,

Shri/Smt.....Director/Officer/Designated Person of Kinetic Engineering Limited furnish below the details of shareholding in Kinetic Engineering Limited as onin my name and/or in the name(s) of my dependent family members in terms of regulation 2(f) of SEBI (Prohibition of Insider Trading) Regulation, 2015 and clause 8.1 of the Code of Internal Procedures And Conduct For Regulating, Monitoring And Reporting Of Trading By Insiders.

Name & Designation of the
Director/Officer / Designated Person :

Department of Designated Person :
Date of Joining/ becoming
Director/ officer/ Designated Person :