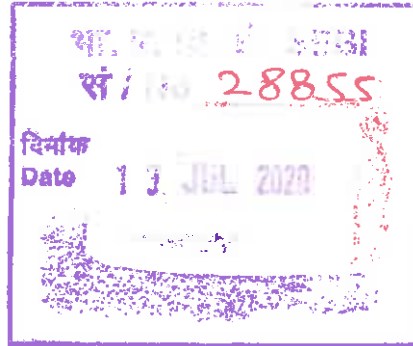


KP Capital

June 24, 2020

To,
The Chief General Manager
Integrated Surveillance Department,
Securities & Exchange Board of India,
SEBI Bhavan, Plot No. C4-A, "G" block,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051.



SEBI/IW/P/20200714/0000028855

Sub: Request for an Interpretative Letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 ("SEBI Informal Guidance Scheme")

Ref: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations")

Dear Sir/Madam,

We, KP Capital Advisors Private Limited ("KPCA"/ "Company") through this Application seek clarity by way of an Interpretative Letter under the SEBI Informal Guidance Scheme in connection with a compliance aspect under the SEBI PIT Regulation. In this regard, we offer following submissions for your kind consideration that would assist in disposal of our request:

1. Background & Our understandings

- 1.1 KPCA is registered with the Securities and Exchange Board of India ("SEBI") as a Category I Merchant Banker vide Registration number INM000012713. As such, KPCA is an Intermediary within the meaning of Section 12 of the SEBI Act, 1992.
- 1.2 KPCA carries out corporate advisory, valuation of securities and other permitted assignments for its listed client companies among other clients. Pursuant to Regulation 9(1) and 9(2) read with SCHEDULE C of the SEBI PIT Regulations, it is in the process of execution of a code ("Code of Conduct") to regulate, monitor and report trading by its designated persons and immediate relatives of the designated persons, through a digital data base structure for effective compliance.
- 1.3 In compliance with the SEBI PIT Regulations, KPCA is maintaining among other things a list ("Restricted List of Clients") comprising of listed companies whom it is providing professional services currently or had provided services in past 6 months. None of the employees / designated person of KPCA is allowed to trade/ deal in the securities of the listed companies which are in the Restricted List of Clients except in due compliance with the provisions of the Code of Conduct read with SEBI PIT Regulations.

2. Our understanding with respect to monitoring Trades in Securities not in the Restricted list

- 2.1 We are of the opinion that, a listed company in respect of which KPCA is neither a connected person nor has any UPSI ("Unrestricted Securities"), provisions of SEBI PIT Regulations shall not apply. This implies that the Designated persons of KPCA need not seek pre-approval of Compliance Officer to Trade in such Unrestricted Securities and need not submit Trade details or make any disclosures (initial or continuous) of their holdings of Unrestricted securities. The Compliance Officer of KPCA also is under no obligation to track, monitor and report trades of the Designated persons in such Unrestricted Securities.
- 2.2 However, as and when any Unrestricted Security shall become a Restricted Security, any trade/dealing in such Restricted securities by any designated persons shall be prospectively tracked, monitored and reported in accordance with the PIT Regulations.

Our understanding with respect to maintaining Confidentiality about the Restricted list

- 2.3 SCHEDULE C of SEBI PIT Regulations mandates minimum standards for Code of Conduct for Intermediaries and fiduciaries. Clause 5 of SCHEDULE C reads as under:

"The compliance officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades."

- 2.4 We believe that "Restricted List" within the meaning of Clause 5 of SCHEDULE C does not contemplate only names of the Restricted Companies, but also other information as a whole list which ought to be maintained confidentially by the Compliance officer.
- 2.5 In case the "Restricted List" referred to above contains only names of Restricted Companies and no other information and the Compliance Officer himself/ herself would maintain confidentiality of names of such client companies as per Clause 5 of SCHEDULE C, the designated persons due to lack of information and awareness on client companies shall be required to intimate, report or seek pre-clearance of trade/dealing in securities of even Unrestricted Companies whose securities are not subject matter of Code of Conduct. This may also result in initial and continual disclosure by the designated persons/ employees in respect of securities of Unrestricted Companies.

3. Clarifications sought

- 3.1 Given our submissions above, we request your guidance on following queries:
- (i) is our understanding correct in terms of keeping the Trades in Unrestricted list outside the purview of compliance of PIT Regulations (ref para 2.1 above)
 - (ii) is our understanding correct that the Compliance officer can share the Restricted list with the Designated persons so that the latter can know the permissibility of their proposed Trade.

4. Fee for seeking informal guidance

4.1 In accordance with Clause 6 of the SEBI Informal Guidance Scheme, we are enclosing herewith a demand draft no. 057268 dated June 23, 2020 drawn on ICICI Bank for Rs. 25,000/- in favour of 'the Securities Exchange Board of India' payable at Mumbai as fees for informal guidance and request for your opinion.


All material facts, circumstances and legal provisions which in our opinion are relevant for the purposes of determination of this request are stated hereinabove.

We seek your considered informal guidance to this effect. Any request for further information/clarification may be addressed to:

Contact Person	Contact Details	Address
Nivedita Admane	Email id: nivedita@kpcapital.in Contact No: 09823093107	KP Capital Advisors Private Limited, Bungalow No. 2, Greenpark Society, Behind Anand Park, Baner, Pune 411 008

Thanking you,

Yours faithfully,
For KP Capital Advisors Private Limited


Name: Nivedita Admane
Compliance Officer

