



**POLICY ON PREVENTION OF INSIDER TRADING**

<b>Name of the Policy</b>	Policy On Prevention of Insider Trading
<b>Prepared by</b>	Compliance Department
<b>Approved by</b>	Board of Directors
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## SECTION – I

### **PREAMBLE**

#### **(A) Introduction**

- i. The Policy on Prevention of Insider Trading ("Policy") has been drafted to govern the conduct and the personal securities transactions of the Employees of Axis Capital Limited ("Company"/ "ACL") and their Connected Person, to the extent applicable.
- ii. This Policy deals with -
  - a) Securities transactions of the Employees, their Connected Person and lays down detailed guidelines to be followed;
  - b) Disclosure by the Employees, while tendering public investment advice;
  - c) Policies and procedures to prevent any instance of insider trading and guard against abuse of price sensitive information;
  - d) Procedure for seeking approval before accepting outside Directorship to avoid conflicting situations;
  - e) General Code of Ethics expected of an Employee; and
  - f) Policy as applicable post the separation from the employment.

#### **(B) Purpose of the Policy**

- i. The principal objective which the Policy intends to achieve is to prevent mis-use of Unpublished Price Sensitive Information ('UPSI') in any manner.
- ii. The aim of this Policy is to ensure that as far as possible, the Employees and their Connected Person do not take any undue advantage of their position and access to information about the securities market.
- iii. To abide by the provisions laid down in the SEBI (Prevention of Insider Trading) Regulations, 2015 in letter and in spirit.

## SECTION – II

### DEFINITIONS

Words, expressions, and definition used and not defined in the Policy shall have the meanings as per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

- i. **“Compliance Officer”** means Chief Compliance Officer appointed by the Board of Directors of the Company.
- ii. **“Employees”** means all the employees of the Company including Designated Employees and Departmental Interns/ Temps / Management Trainees on contract.
- iii. **“Designated Employees/ Designated Persons”** mean the following:
  - a. Employees of Investment Banking division;
  - b. Employees of Primary Market division;
  - c. Employees of Legal, Compliance, Secretarial & Risk division;
  - d. Employees of Accounts & Finance division;
  - e. Employees of Information Technology division;
  - f. Managing Directors; and
  - g. Employees of the Human Resource division.
- iv. **“Immediate Relatives”** means and includes:

the spouse of an Employee, whether dependent or independent; parent, sibling, and children of such Employee or any person sharing household or residence with the employee, any of whom is either dependent financially on such Employee or consults the Employee in taking decision relating to trading in securities.
- iii. **“Material Financial Relationship”** (MFR) 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 from a Designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions. The declaration of MFR is applicable to Designated Persons only.
- iv. **“Grey List(s)”** means the list(s) prepared and maintained by Compliance Officer / Compliance Department in the manner set out in this Policy and includes:

Securities of Listed or proposed to be Listed companies for whom the Company is handling any assignment that would make the company privy to any Price Sensitive Information.

Securities will be placed in Grey list from the date when the assignment is accepted or on receipt of any price sensitive information, whichever is earlier.

- v. **"Securities"** for the purpose of this Policy shall mean and include—  
shares, scrips, or other marketable securities of a like nature in or of any incorporated company or other body corporate. It shall also include units of an AIF.  
For the sake of clarity, the definition 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, ETF and debentures.
- vi. **"Trading/Dealing"** means and includes subscribing, redeeming, switching, buying, selling, or agreeing to subscribe, redeem, switch, buy, sell in any securities, and "trade" shall be construed accordingly.
- vii. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.
- viii. **"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, be 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, award or termination of order/contracts not in the normal course of business and such other transactions;  
(v) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;  
(vi) change in rating(s), other than ESG rating(s);  
(vii) fund raising proposed to be undertaken;  
(viii) agreements, by whatever name called, which may impact the management or control of the company;  
(ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;  
(x) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;  
(xi) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;  
(xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;  
(xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial

personnel, promoter or subsidiary, in relation to the company;

(xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;

(xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;

(xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

ix. **"Insider"** means any person who is:

i) a Connected Person; or

ii) in possession of or having access to Unpublished Price Sensitive Information.

x. **"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 whether temporary or permanent, with the company,, 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) a 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 recognized 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 relative or banker of the company, has more than ten per cent. of the holding or interest; or

(k) a firm or its partner or its employee in which a connected person specified in sub -clause (i) of clause (d) is also a partner; or

(l) a person sharing household or residence with a connected person specified in sub - clause (i) of clause (d)

## SECTION - III

### CODE OF ETHICS

**(A) General Prohibitions:**

No Employee or their Immediate Relatives shall:

- i. deal in Securities in any manner, including pledging, when in possession of Unpublished Price Sensitive Information (UPSI), irrespective of the source.
- ii. communicate UPSI that they have received, in any manner whatsoever, to anyone except on a need-to-know basis and in accordance with the Policy thereof.

**(B) General Responsibility of the Employees:**

- a) All Employees shall maintain the confidentiality of all Price Sensitive Information/ Proprietary information that is in their possession and shall not pass on such information directly or indirectly to anyone by way of making a recommendation for the purchase or sale of securities. Any information disclosed to the Company by a client is considered to be confidential unless it is reasonably certain that the information has been publicly disseminated or the client informs the Company that the information is not confidential.
- b) Employees shall not use UPSI to buy or sell securities, whether for their own account, their Immediate Relative's account or the organization / Company's account.
- c) No Employee shall communicate, counsel, or procure, directly or indirectly, any UPSI to any person who while in possession of such UPSI shall not deal in securities.

It will be the responsibility of the Head of each department to ensure strict standards for identification of UPSI. UPSI should be handled on a "need to know" basis. However, UPSI can be shared internally, only if:

1. Such information is necessary to discharge their official duties; and
  2. The possession of such information will not give rise to a conflict of interest or appearance of misuse of information.
- d) The Files containing confidential information shall be kept secure. Computer files have adequate security of login and password, etc. and accordingly there shall be limited access to confidential information. Departmental heads shall ensure availability of locked storage space for storage of confidential documents and media.
  - e) Confidential documents and data may be held on servers only if the storage area can be effectively partitioned and access restricted to duly authorized users.

- f) Electronic media containing confidential information shall be in an encrypted form wherever possible and shall be subject to the same standards of custodial care as printed material.
- g) Documents containing Price Sensitive Information should not be left unattended in a manner permitting access, reading, or copying by unauthorized persons working outside secure areas.
- h) To prevent the misuse of confidential information a "Chinese Wall" shall be created separating the Investment Banking Personnel , who routinely have access to confidential information, from other departments.
- i) No Price Sensitive Information shall be communicated by the Employees in the Insider Area to Employees in the other departments, except on a "need to know" basis, under intimation to Compliance and the Head of the Department
- j) Research Analysts and Coverage Bankers shall not trade in the securities of the companies/ sectors that they cover.
- k) If an Employee on the public side believes that he has received UPSI, it is their responsibility to report it immediately to the Compliance Officer. The Compliance Officer will then take the necessary steps to contain the information received.
- l) If the Employee believes that something they have done violates the law or the Code, it is their responsibility to report such violation to the Compliance Officer.
- m) If any of the Employees becomes aware of illegal or improper conduct by another Employee, it is the obligation of such Employee to report it to the Compliance Officer.
- n) Supervisors/ Department heads are responsible for failure to supervise an employee and look for warning signals. If a Supervisor/ Department Head learns of a probable or actual misconduct they must immediately escalate it to Compliance to investigate the matter and impose limitation on the employee's conduct to prevent recurrence of the misconduct.
- o) It would be the responsibility of the Human Resources Department/ new employee to complete all the formalities relating to compliance with this Policy.

### **(C) OTHER DIRECTORSHIPS**

All Employees should necessarily obtain a written permission from the MD & CEO of the Company and Compliance Officer before accepting any position which includes directorship, partnership in any other organization.



**(D) CONFLICT OF INTEREST**

Every Employee in each operating area must accept that their decision must be taken independently of any other interest which the Company might have. Compliance Department may be consulted in the event of any perceived conflict for appropriate resolution.

A separate Policy has been formulated to capture areas of conflict of interest.

**(E) STRUCTURED DIGITAL DATABASE**

The Team Leads of the Investment Banking Division with guidance from the Compliance Officer shall ensure maintenance of a Structured Digital Database (SDD). Every Employee who is in possession of Unpublished Price Sensitive information shall ensure the following:

- Discloses whenever he/she is in possession of UPSI containing nature of unpublished price sensitive information he/she holds and the names of such persons who have shared the information.
- Disclose the names of the persons including their PAN number or any other identifier authorized by law where PAN is not available with whom such information is shared for the purpose of maintaining SDD as required by the Company.
- Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- Ensure that the entry of information in the SDD is done within 2 calendar days from the receipt of such information.
- The SDD shall be 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 SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceeding.

**(F) MATERIAL FINANCIAL RELATIONSHIPS**

Designated Persons shall be required to disclose the names and Permanent Account Number or any other identifier authorized by law of persons with whom they have Material Financial Relationships, to the Company on an annual basis and as and when the information gets updated.

## **SECTION - IV TRADING IN SECURITIES**

### **A. Pre-clearance of Trades:**

- i. All Employees of the Company including their Connected Person (intending to deal in securities shall pre-clear their trades as per the procedure described hereunder.
- ii. All applications shall be made in the specified format provided in the Employee Trading Portal used by the Company.
- iii. All Employees including their Immediate Relatives who wish to trade shall be permitted to do so under the following express understanding:
  - That Employee does not have any access or has not received any Unpublished Price Sensitive (UPS) Information up to the time of signing the undertaking.
  - That in case the Employee has access to or receives UPS after taking pre-approval but before the execution of the transaction, they shall inform the Compliance Officer of the change in his position and completely refrain from dealing in such securities till the time such information becomes public.
  - That the Employee has not contravened the Code of Conduct for Prevention of Insider Trading as specified by the Company from time to time.
  - That the Employee has made a full and true disclosure in the matter.

#### **Pre-clearance is mandatory for the following:**

- a. Purchase/ Sale of Equity & Preference shares (including IPOs and FPOs);
- b. Rights issue, Open offers, Buy-backs;
- c. Off-market transfers (in case of change in beneficiary) including gift of securities;
- d. Investment in Private Equity (Unlisted Equity / Preference Shares), Preferential Allotments, AIFs, InvITs, REITs etc.;
- e. Investment in American Depository Receipt and Global Depository Receipt;
- f. For investments in Non- Discretionary Portfolio Management Services ("NDPMS"), pre-clearance is required prior to every trade executed by the Portfolio Manager ;
- g. Investment in any new asset class.

Investments in Discretionary Portfolio Management Services ("DPMS") is strictly prohibited. Every new employee shall be provided 180 calendar days to dispose/sell / close their DPMS accounts. Employees can invest in unlisted Securities subject to pre-approval by their Line Manager and Compliance. However, Investment Bankers cannot invest in the securities of the unlisted companies that they service.

Employees are prohibited from dealing in Derivatives of any sort.

Investments are permitted in Alternate Investment Funds (AIFs), as long as there is no Sponsor/ General Partner role for the concerned Employee/Dependent in that AIF. Moreover, any such investment in the AIF should not exceed more than 10% of the corpus of the said AIF. No Employee or Dependent can sponsor any AIF.

In case of primary issuances (IPO) of securities; pre-clearance has to be obtained prior to submission of the bid cum application form. In respect of an application for an Initial Public Offer with which the Company is associated, Employees will not be permitted to apply for allotment during the IPO. However, trading will be allowed from the Listing day.

Employees shall be permitted to subscribe for the Rights Issue and Buy Back of the securities mentioned in the Grey List, only to extent of their existing holdings / entitlements.

Employees who are holding shares of any company along with the shares of the subsidiary company of such company, and such subsidiary company offers a Rights Issue for the shares held in such subsidiary company, employee(s), who is/are holding shares of both holding company and of its subsidiary company may participate in such Rights Issue, over and above their entitlements, provided that, the holding company of such subsidiary company, is renouncing or not participating in the offer.

Trades of the Compliance Officer, which requires pre-clearance in terms of the above, shall be approved by the MD & CEO or any other persons of the Company duly authorized in this behalf.

Any trade without obtaining pre-clearances would be considered as a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, and this Policy and would be subject to Disciplinary action as may be considered necessary.

## **B. Sector Restrictions for Corporate Finance and Research**

Investment Banking and Research officials cannot invest in the sector under their coverage. It shall be the responsibility of the Reporting Manager of the applicant to ensure this while granting approvals.

An Employee joining Investment Banking division shall dispose/sell his/her holdings in the sector under coverage within a period of 60 (sixty) calendar days of their joining, post which, he/she would not be permitted to sell the securities for the tenure of his employment unless there is a change in sector. However, employees from Research will be required to dispose/sell their holdings in the sector under coverage within a period of 60 (sixty) calendar days of joining. All these trades will be subject to the pre-approval requirements.

## **C. Special Rules for Non-Executive Directors (“NEDs”), Independent Directors (“IDs”) of the Company**

The Board of Directors of the Company includes Non-Executive Directors and Independent Directors. The NEDs & IDs on the Board are persons of high standing and repute and are appointed as Non- Executive/Independent Director on the Boards of several other companies.

These NEDs & IDs exercises a supervisory role over the Company's key performance indicators and corporate governance. Company has a separate Corporate Finance business-head (CEO) and senior leadership team to manage the transactions/mandates and, accordingly, specific

client names / client particulars or particulars of any transactions on which the Company is an advisor, are not discussed or reported at the Board meetings. In the event specific transactions are to be discussed at a meeting of the Board of Directors of the Company, Project code names are to be used to maintain strict confidentiality of the transactions, the Clients and the Restricted List.

In light of the confidentiality measures undertaken by the Company to ensure that the NEDs & IDs are not exposed to any Confidential Information including names of the clients of Company and details of any transaction where Company is involved, IDs of the Company are not included in the definition of 'Employee' under this Policy and are not required to have all their trades pre-cleared.

**D. Execution:**

- i. All trades executed by Employees shall be done through "Axis Securities Limited" (ASL) only.
- ii. No Employee shall open, deal, transact through any other broker except ASL.
- iii. Immediate Relatives, however, may open their Trading account with any other registered broker. However, prior approval is required to be obtained for all the trades.
- iv. Where any transaction has been approved, the Employee (including on behalf of their Connected Persons) shall execute the transaction by the next trading day and where any transaction has been approved with any conditions attached, the same shall be executed within the above time in accordance with the conditions specified. However, all the Employees (including Connected Persons) of the Broking Division of the Company shall execute the transaction on the same day of the receipt of the approval.
- v. No clearance including a conditional clearance, shall be valid after the next trading Day from the date approved by the line Manager thereof and if the Employee could not execute the transaction within the next trading day from the date of receipt of clearance, and if the employee in the Broking Division cannot execute the transaction with the same trading day from the date of receiving the clearance (as stated above), the employee shall apply for pre-clearance again.
- vi. The Compliance Officer shall have a right to revoke any clearance granted to any transaction or add further conditions to any clearance before the relevant transaction has been executed.
- vii. The Compliance Officer may seek additional data as may be necessary to effectively implement this Policy at any time by asking for further information in respect of securities held by them and/or their Immediate Relatives including but not limited to Bank account statements, mobile bills etc. as the Compliance department deems necessary, to verify that the procedures mentioned in this Policy are being adhered to.

**E. Exempted category of investments:**

The restrictions in this Policy shall not apply to:

- i. Investments in Fixed Deposits with banks / Financial Institutions/ Companies, Life insurance policies, provident funds, or investments in savings schemes such as National Savings

- Certificates, National Savings Schemes, Kisan Vikas Patra, or any other similar investment
- ii. Investments of non-financial nature such as gold, silver, real estate etc.
- iii. Investments in government securities, money market instruments and the term Money Market instrument shall have the same meaning as defined under the SEBI Regulations
- iv. Investments in Mutual Funds, except those mentioned for the Corporate Finance and Research team (equity, debt, balanced, liquid schemes), ETFs, Insurance products and Pension Funds.
- v. Investment in Debentures.

**F. Lock in Period (Holding Period):**

All the investments in Securities by an Employee, irrespective of the value, shall be held for a minimum period of 2 (Two) months.

Provided however, if the employee intends to sell prior to the Holding period expiry as outlined above, they shall apply for permission with reasons thereof to the Reporting Manager and Compliance Officer. The Reporting Manager and Compliance Officer, based on the explanations provided, may approve / reject such a request. The decisions of the Compliance Officer in this respect would be final and binding.

Provided further that MIS on the permissions so granted shall be reported by the Compliance Officer to the Management on a periodic basis.

Provided further that in case any Employee is found trading very frequently, the Compliance Officer may impose such restrictions on dealings for that employee as may be deemed appropriate.

**G. Prohibited transactions:**

No employee shall conduct any transaction in Listed securities, irrespective of the fact that such transaction has been pre-cleared by Compliance, if any or all of the following circumstances exist or arise after the clearance but before the execution of the transaction of the concerned employee:

- i. If the Employee reasonably knows that any unit of the Company has accepted an order or instruction from a client or has decided on behalf of client to affect any transaction, the Employee may not deal in that security for his/her own account or on behalf of his dependent/related entity until the order or instruction has been executed or cancelled.
- ii. If the Employee knows or should reasonably know that the Company has in its possession the result of research and analysis and may soon publish to its clients those results or recommendations the Employee shall not deal in those securities until the recommendations are published. The reasonable opportunity would be interpreted as being a period of twenty-four hours from the time of distribution.

- iii. No Employee shall deal in any investment, if to do so, would, to his/her knowledge, involve a conflict of his/her own interest with that of any client or with his/her duty to any client.
- iv. No Employee shall deal with any person if he/she has reason to believe that person is prohibited by any applicable insider dealing legislation or other laws or regulations.
- v. No Employee shall purchase any security on a carry forward basis or indulge in short sale of any security. Employees should ensure that they take delivery of the securities purchased, prior to selling them. Dealing in Futures and Options, in whatever form is strictly prohibited.
- vi. Employees shall refrain from passing on any information to anybody inducing them to trade in securities, which are being bought/sold by the Company on behalf of its clients.
- vii. All the Employees would be required to give a declaration to this effect on an annual basis to the Compliance Officer

**H. Special Restrictions with regard to Axis Bank Limited securities during Blackout period:**

- i. Dealing in Axis Bank Limited shares from the first day of every quarter till one day post the result announcement is restricted.
- ii. Same restrictions shall apply for writing Research as well - No report release/ communication of any sort for Axis Bank Limited is permitted for the above period.
- iii. No solicitation permitted for Axis Bank shares during the period mentioned above; unsolicited transactions can be executed.
- iv. Non-Executive Directors shall have a similar restriction on Axis Bank Shares as applicable to Whole Time Directors and others.
- v. No Employee shall "tip" or disclose material non-public information concerning the Bank to any outside person including family members, analyst, individual Investors.

**I. Chinese Walls:**

A Chinese wall is an established arrangement whereby confidential information known to persons in one part of a business is not available (directly or indirectly) to those involved in another part of the business. The separation of function is achieved through the imposition of management structures which ensures that decision in a particular operational area is taken as matters of independent judgment without regard to the wishes, intention, interest, or the confidential information in the possession of any competing or conflicting operational area. These structures are reinforced by Chinese Walls. The Key factors kept in mind while creating these Chinese walls are as under:

- i. The Company's Chinese walls are positioned to separate businesses and separate public

functions from the non-public. Public function includes research, sales personnel, and the dealers. Non-public personnel include all personnel associated with the investment banking division, information Technology and other personnel who have access to transaction data and other material non-public information of these business units.

- ii. In general, personnel on the non-public side of the Chinese Wall are routinely in receipt of confidential information. Support areas will observe the Chinese Walls of the areas they are supporting. Employees who are unsure of where they sit (public or non-public) should consult Compliance.
- iii. The Company's service may not be effective unless, in controlled circumstances and for its client's benefit, it can market and provide service across all or some of its product groups. Accordingly, under certain circumstances, and subject to the approval of the Head of the Business and Chief Compliance Officer, it may be appropriate for certain employees from the non-public functions to be brought "Over the Wall", for a limited duration, in order to tap their expertise on a particular company, industry, or type of transaction, only after the Client's name is put up on the Restricted List.
- iv. Personnel who are brought "Over the Wall" for the purpose of a particular transaction, should be in relation to that transaction be viewed as a member of the division or department primarily responsible for the transaction or what we call an "Insider". In case, salespersons and dealers are required to cross the Chinese Wall, because of the restrictions which arise once they cross the Chinese Wall, salespersons and dealers should be cautious in discussing matters with Investment Banking (IB)
- v. Once an employee from the non-public side becomes an "Insider" they are thereby prevented from giving advice, making recommendations or trading in relevant securities in pursuance to their day-to-day duties.
- vi. On completion of the assignment on the Sensitive Area side, an employee will not discuss or comment on the assignment on which the employee has worked, until the information is made public or becomes obsolete.
- vii. A research analyst or salesman who has been consulted in detail on a proposed confidential transaction may be in possession of material non-public information and is therefore, at risk should any further reports be issued (whether written or oral and whether in the form of an internal recommendation or an external recommendation to clients) on the company which is the subject of the proposed transaction and which excludes such information.
- viii. Before agreeing to speak to IB employees, salespersons and dealers should inquire as to sensitivity of the subject matter of the contract (i.e., will confidential or inside information be disclosed or otherwise communicated) and, if appropriate, should confirm that the contract has been approved by the Compliance Department. IB personnel may contact salespersons and the dealers directly without prior clearance in instances where the conversation will only address information in the public domain and where there is no danger of communicating

confidential or inside information to the salespersons and the dealers. In case of any doubt Compliance should be contacted.

**J. Restricted List of Securities:**

In order to monitor Chinese Wall procedures and prevent trading in Securities while in possession of UPSI, Company shall restrict trading in Securities of listed entities or to be listed entities in respect of which any one or more Private Side employee of the Company is/ are in possession of Unpublished Price Sensitive Information and shall maintain separate lists of such Securities which shall be designated as the “**Grey List – Level I**” to be maintained by the Compliance Department. Personal Trading by Designated Persons and their Immediate Relatives shall be blocked or disallowed at the time of seeking pre-clearance by the Company in Securities mentioned in the Grey List - Level I (as set out in the grid below) shall also be restricted.

The Compliance Department will also maintain a list called “**Grey List - Level II**” or “**All Employees Restriction**”. Personal Trading by all Employees of the Company and their Immediate Relatives of the Company in the Securities mentioned in the Restricted List- Level II shall be restricted.

In addition, the Compliance Department shall also maintain a “**Grey List – Level III**” wherein the Research coverage for the Securities will be restricted (“**Research Restriction**”).

The Grey - Level I, Level II and Level III will be collectively referred to as “**Restricted Lists**”.



**(1) Restricted List- Level I – (Grey List – Designated Persons)**

The following grid outlines the applicability, trigger and responsibilities:

<b>Applicability of Restriction</b>	<b>Trigger for adding the securities to the Restricted List- Level I</b>	<b>Trigger for removing securities from Restricted List- Level I</b>	<b>Responsibility of Intimation to Compliance Department</b>
All Designated Persons and their Immediate Relatives	<ul style="list-style-type: none"> <li>• Signing of Non-Disclosure Agreements or receipt of UPSI, whichever is earlier.</li> <li>• Intimation from the Coverage Team or any Employee</li> </ul>	<ul style="list-style-type: none"> <li>• Completion or cancellation of the assignment as determined by the concerned Coverage Team ("Release Event").</li> <li>• The scrip shall be removed from Restricted List – Level I at the end of 6 (six) months from the Release Event.</li> </ul>	Concerned Coverage team or any other concerned Employee

**(2) Restricted List- Level II - (All Employees)**

The following grid outlines the applicability, trigger and responsibilities:

<b>Applicability of Restriction</b>	<b>Trigger for adding the securities to the Restricted List- Level II</b>	<b>Trigger for removing securities from Restricted List- Level II</b>	<b>Responsibility of Intimation to Compliance Department</b>
All Employees of the Company and their Immediate Relatives	<ul style="list-style-type: none"> <li>• Signing of the Engagement Letter</li> <li>• Intimation by Coverage Team or any other event where the Management or Compliance deems necessary.</li> </ul>	Completion or cancellation of the assignment as determined by the Concerned Coverage Team ("Release Event").	Concerned Coverage Team member or any other concerned Employee

### **(3) Restricted List- Level III - (Research Restriction)**

A security may be added to "Restricted List III" in the following cases:

- 1) If Company acts as a Lead Manager or Co-Lead Manager in an offering or a placement, Company shall not publish or distribute a research report regarding the respective issuer / offeror, from the time (and not earlier than) filing of such offering documents with SEBI, until the expiry of forty days from the date of the offering OR as may be guided by the Research Guidelines/ Memorandum as may be issued by the respective deal counsel.

In case of any disagreement between this Policy and the Research Guidelines/ Memorandum, the advice given by Compliance shall be adhered to.

The date of the offering refers to the first date on which the security was allotted to the public.

- 2) When research and publicity guidelines issued by the deal counsel (either a Domestic Counsel or International Counsel) in relation to any mandate/issue/ offer requires a Research Blackout / Restriction for any specific period.
- 3) Any other circumstances in which the Management or Compliance deems necessary to restrict publication of any Research Report.

**Restricted Lists shall be confidentially maintained and updated by the Compliance Department and shall be circulated strictly on need to know basis, on a written request.**

#### **K. Removal from Grey List:**

Concerned Coverage Team may recommend removal of a company from the Grey List. The recommendation shall:

- confirm that no further confidential information is likely to be received in respect of such company, providing reasons for such Conclusion.
- recommend a date for removal from the Grey List, based on a reasonable expectation of public disclosure of material Price Sensitive Information received in course of the engagement, and continuing materiality of such information.

The Compliance Officer will have the discretion not to accept the recommendation or accept it with effect from a later date than recommended.

#### **L. Grey List Trading Policy:**

Set forth below are the trading restrictions that apply when an issuer is added to the Grey List in connection with (a) an extra ordinary corporate event; (b) an equity or equity-linked offering. These procedures have been designed to comply with regulatory requirements and to avoid even the

appearance of impropriety.

Long-duration Restrictions for Extraordinary Corporate Transactions: Long- duration restrictions are imposed on Company's trading, Employee trading and customer solicitation upon the announcement of certain extraordinary corporate transactions (merger, acquisition, restructuring, etc) where the Company has been retained as an advisor to one of the parties. Upon the addition of an issuer to the Grey List for a long-duration restriction, the Compliance Group will, through the Grey List, notify all the relevant desks of the restrictions.

#### **M. The Handling of Confidential Information:**

The following are some "Dos" and "Don'ts" to observe when in possession of confidential information:

<b>The Do's</b>	<b>The Don'ts</b>
Communicate confidential information only on a "need-to-know" basis	Do not leave documents containing confidential information where others can easily see them
When over the Chinese Wall, use non- descriptive and non-revealing project and code names whenever talking about a project	Do not have conversations or review documents or work papers containing confidential information in public places
Safeguard e-mail and voice mail passwords. Be careful when sending messages, make sure to have the correct e-mail address or phone extension	Do not use confidential information as a basis for trades or as the basis for encouraging others to trade
Adequately secure all envelopes and packages containing confidential information	Do not discuss confidential information while on cellular or cordless phones
Store all confidential information in a secure area. Do not leave confidential information on desktops.	Do not leave documents containing confidential information unattended in conference, copy and fax rooms
Remove all confidential documents from conference rooms; erase chalk and white boards	Do not send or receive confidential faxes through or have copies made by hotel or conference center staff
Clients and others should not be left unattended in any area within the Firm, except conference rooms and reception areas	Do not use confidential information for any other purpose other than the purpose for which it was disclosed to the firm
Be careful about dealing with confidential information in the presence of family, friends, roommates, and other visitors	Do not disclose any information (including names and company affiliations) of any visiting clients

Properly dispose of all documents containing confidential information so that others cannot retrieve them from the trash, especially when away from the office	Do not remove documents containing confidential information from the office other than for legitimate business reasons and unless they can be adequately secured
Conversations about confidential information should be conducted behind the closed doors	Do not allow visitors to use private offices to conduct business or use the telephone
Train support staff	Do not provide anyone with any information. (Including Company names, cities, or phone numbers) of the location of any employee traveling on client -related business
Always use best judgment	Do not be careless with confidential information

## **SECTION - V**

### **A. Penalty for contravention of the Code:**

- i. An employee who trades in securities either on his own behalf or on behalf of any other person or communicates any information for trading in securities listed on any stock exchange, of any Company when in possession of any unpublished price sensitive information; shall be guilty of insider trading and appropriate action shall be taken by the Company.
- ii. Violation of any of the provisions of this Policy would be tantamount to violation of the service conditions. A violation memo will be issued by Compliance in case an employee violates any of the provisions of this Code. In case of 3 violation memos, an employee shall also be subject to disciplinary action by the company which may include wage freeze, suspension, dismissal, ineligibility for current and future participation in employee stock option plans, etc. List of incidents/events which will be constituted as non-compliance or violation under the Policy is enclosed as a Schedule I.
- iii. Separate disciplinary committee has been constituted with appropriate appellate mechanism as required. All violations noticed and observed can be reported directly to the Compliance who shall investigate and refer to the Disciplinary Committee as required.
- iv. 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.

### **B. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015:**

In case the Company observes that there has been a material violation of these Regulations, the Company shall inform SEBI.

### **C. Removal of doubts:**

Employees should contact the Compliance Officer in the event of any doubts/clarification on the provision of the Policy or on its applicability to the transactions he proposes to undertake for effective implementation of the code. Any clarification furnished by the Compliance Officer shall be final and binding on the employee concerned.

### **D. Duties of Compliance Officer:**

- i. The Compliance Officer shall be responsible for setting forth policies and procedures and monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-

clearing of all Employees and their dependent's trades, monitoring of trades and the implementation of this Code of Conduct under the overall supervision of the Board of Directors

- ii. The Compliance Officer shall maintain a list of the a. Designated Employees, and b. Employees and any changes made therein.
- iii. The Compliance Officer shall maintain records of all the declarations given by the Directors and the Employees in the appropriate form for a minimum period of eight years.
- iv. The Compliance Officer shall place before the Director all details of the dealings in securities by the Employees of the Company along with the documents that such persons had executed under the pre-clearance procedure as envisaged in this code at such frequency as may be required by the Board.
- v. The Compliance Officer shall once in a year provide a report to the Chairman of Board of Director. The report shall contain violations observed under the SEBI PIT Regulations and exceptions sought by the Employees.

**The Compliance Officer shall assist all the Employees in addressing any clarification regarding SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.**

**E. Resignation/ Separation of Employees:**

- i. It will be the responsibility of the Employee who ceases to be the employee of the Company for any reason whatsoever, to furnish to the Compliance Officer the details of all transactions in securities put through by him/her up to the date of the cessation of his/her service in the company, in such Form as may be prescribed by the Company from time to time.
- ii. Human Resources Department shall ensure that the Employee has filed such statement before formal release of such employee from the Company's service.

**F. Institutional Mechanism for Prevention of Insider Trading:**

In terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('the Regulation'), the Company has put in place adequate and effective systems, internal controls, and processes in compliance with the Regulations to prevent insider trading.

The internal controls inter alia includes:

- i. Identification of UPSI and maintain its confidentiality.
- ii. Imposition of adequate restrictions for communication or procurement or 3 days of UPSI.
- iii. Maintaining the list of employees and other persons with whom UPSI is shared for legitimate purpose, performance of duty and discharge legal obligations and obtaining requisite confidentiality agreements/ declarations; and

- iv. Reviewing the efficiency of such internal controls, as deemed appropriate, commensurate with the size and nature of the business of the Company.

The Board of Directors of the Company shall ensure that the CEO of the Company has ensured compliance with the provisions of Regulation 9(1) and (2) of the Regulation relating to formulation and adoption of the Code in line with the minimum standards as set out in Schedule B and C of the Regulation.

The Audit Committee shall annually review the efficacy and adequacy of the Institutional Mechanism and compliance by the Company with the Regulation and recommend such measures as deemed appropriate and verify that the system for internal control is adequate and are operating effectively.

**G. Protection against victimization:**

The Company shall ensure that there is no discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a voluntary information disclosure form to SEBI under the SEBI (Prohibition of Insider Trading) Regulations, 2015, irrespective of whether the information is considered or rejected by SEBI, by reason of such employee:

- i. filing a voluntary information disclosure form under the Regulations,
- ii. testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of the Regulations, or in any manner aiding the enforcement action taken by SEBI, or
- iii. breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

Explanation: "employee" for the purpose of this Clause shall mean an individual who is a regular/ Contractual employee or a director and who may become privy to information relating to violation of insider trading laws and files a voluntary information disclosure form to SEBI under the Regulation.

**H. Exceptions:**

Any exceptions to the Policy can be approved only by the Compliance Officer and the Chief Executive Officer. If the exception pertains to the CEO then the exception shall be approved by Compliance Officer.

## SECTION - VI

### **DISCLOSURES AND REPORTING REQUIREMENTS**

- i. All Employees of the Company including immediate relatives thereof shall be required to provide the following details of their securities transactions including the statement of Dependent family members and Related Entities to the Compliance Officer vide the online system built in for this purpose:
  - Consent to fetch the statement of holdings and transactions of the Employees and their Immediate relatives from the Account Aggregator/ Depositories.
  - All holdings in Securities by Employees and their Immediate relatives at the time of joining the Company.
  - All holdings by Employees and their Immediate relatives in unlisted securities.
  - Confirmation of Statement of transactions in Securities/ confirmation of holdings of Securities on a periodic basis as and when Compliance intends through a click wrap declaration available on the system.
  - Annual confirmation of adherence of Code of Conduct shall also be provided through a click wrap declaration available on the system.
  - Any other information as specified from time to time.
- ii. Normally these confirmations will be required to be provided on or before 15th May each year or such time as may be extended for each financial year pertaining to the previous financial year. However, the Compliance Officer reserves the right to seek any information at any point of time required to fulfil this responsibility.
- iii. The Compliance Officer shall maintain records of all the declarations given by the Employees in the appropriate form for a minimum period of not less than 8 years.
- iv. The Compliance Officer shall place before the Chairman or a Committee notified by the Company, all the details of the dealing in the securities by Employees of the organization and the enclosed documents that such persons had executed under the pre-dealing procedure envisaged in this code as may be required from time to time.



## **SECTION - VII**

### **REVIEW**

The Code shall be reviewed at least annually or pursuant to any amendments to the Regulations or for any reason as deemed appropriate by the Board of Directors of the Company.

The Chief Compliance Officer of the Company is authorized to carry out necessary changes to the Code, as and when the same are necessitated, pursuant to any regulatory change. The changes conducted by the aforesaid persons shall be ratified subsequently by the Audit Committee/ Board of Directors of the Company.

**SECTION - VIII**

**FORMATS**

As the entire process is technologically driven, no physical formats have been prescribed.

**SCHEDULE - 1**

A list of incidents/events which will be considered as non-compliance or violation under the code is provided below. The Compliance Officer has the right to initiate appropriate disciplinary / penal action or issue warning or levy monetary penalty.

1. Non-adherence of the initial disclosure requirement or pre-clearance process or internal timelines to report disclosure / undertaking.
2. Submission of inadequate disclosure / undertaking on which organisation relied for onward submission to the Regulator or any legal authority.
3. Violation of code or trading in securities when you are not considered as an Insider or Connected Person under the Code.
4. Violation of code or trading in securities when you are deemed to be considered as an Insider or Connected Person under the Code.
5. Violation reported by the Whistle blower or the Regulator and established after due investigation.
6. Violation is in nature of serious implication on the Company like breach of confidential obligation, or unauthorised use of confidential information for personal benefits, delay in intimation of grey list scrips etc.
7. Front running, market manipulations and unauthorized communications.
8. Conflicts in any nature not disclosed or wrongly disclosed; and
9. Any other violation apart from mentioned above.

The Compliance officer is responsible to report the non-compliance or violation to the CEO or to the Disciplinary committee or to the Chairperson of the Audit committee or of the Board of the Company depending upon the category of violation to take appropriate action.

Members of the Disciplinary committee under the code will be the CEO and MANCOM members of the Company with an option to induct one member either from Business heads of IE or IB (including function heads in absence of Business head for IB) depending upon the nature and type of the violation.

Notwithstanding the above, SEBI would be entitled to impose penalty to the extent of three times of the gains that may have arisen from an act of insider trading, or any amount concluded after due inquiry/investigation upon the Insider trading activity and regulatory breach. Any decision taken by SEBI in this regard shall be final and binding on the concerned violator.

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