

# SMART HORIZON

CAPITAL ADVISORS PVT. LTD.

## POLICY ON EMPLOYEE INVESTMENT AND INSIDER TRADING COMPLIANCE

Prepared by	Compliance Officer
Approved by	Board of Directors
Review/Approval Date	<i>Last reviewed by the Board of Directors on 18<sup>th</sup> November, 2024</i>
Version	01.2024



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## SECTION – I

### PREAMBLE

#### (A) Introduction

1. The Code of Conduct and Personal Transaction policy (“Code”) has been drafted to govern conduct and the personal securities transactions of the Employees of “Smart Horizon Capital Advisors Private Limited” (“SHCAPL”) including on contract (hereinafter referred to as the Company) and their immediate relatives.
2. All the designated employees of the Company including their immediate relatives would be covered by this Code.
3. This Code deals with –
  - (a) Securities transactions of the Designated Employees, their immediate relatives and lays down detailed guidelines to be followed.
  - (b) Disclosure by the Employees, while tendering public investment advice.
  - (c) Policies and Procedure to prevent circulation of unauthenticated news.
  - (d) Policies and Procedures to prevent any instance of insider trading and guard against abuse of price sensitive information.
  - (e) Procedure for seeking approval before accepting outside directorship to avoid conflicting situations.
  - (f) General Code of Ethics expected as employee of a Regulated Intermediary
  - (g) Code as applicable post the separation from the employment.

#### (B) Purpose of the Code

1. The principal objective which the Code intends to achieve is to prevent mis-use of Unpublished Price Sensitive Information (‘UPSI’) in any manner.
2. The aim of this document is to ensure that as far as possible, the Designated Employees, their immediate relatives do not take any undue advantage of their position or otherwise.
3. The Code should be abided in spirit and also in letter.
4. The Code is modelled on the SEBI Regulations on Insider Trading and in the event of any conflict or amendments to the Regulations, the amendment shall prevail.





## SECTION – II DEFINITIONS

- I. **“Compliance Officer”** means Chief Compliance Officer appointed by the Board of Directors of the Company.
- II. **“Designated Employees”** means all Employees of the Company by whatever functional designation/ capacity they may be called and includes Whole Time Directors and the Executive Directors, trainees and any employees hired on a contractual basis.
- III. **“Immediate Relatives”** means and includes: a spouse of an employee whether dependent or independent, 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 decision relating to trading in securities.
- IV. **“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 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.
- V. **“Restricted/Grey List”** would comprise of the following securities:

Securities of Listed or proposed to be Listed Company for whom the Company is handling any assignment or is preparing appraisal report or is conducting assessment and is expected to be privy to Price Sensitive Information

Securities will be placed in Restricted/Grey list from the date when the assignment is accepted or on receipt of any price sensitive information, whichever is earlier.
- VI. **“Securities”** for the purpose of this Code 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.
- VII. **“Trading/Dealing”** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and “trade” shall be construed accordingly.

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.





## SECTION - III CODE OF ETHICS

### **(A) General Prohibitions:**

No Designated Employees or their Immediate Relatives shall: -

1. Deal in Securities in any manner, including pledging, when in possession of Unpublished Price Sensitive Information (UPSI), irrespective of the source.
2. 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 Designated Employees:**

- a) All Designated 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) Designated 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 Designated 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.
- d) It will be the responsibility of the Head of each department to ensure strict standards for identification of UPSI; he/she may make a reference to the business head and Compliance Officer for resolution of any ambiguity and shall act in accordance with the response received.

**UPSI should be handled on a "need to know" basis. Provided however that UPSI can be shared internally if:**

- i. Such information is necessary to discharge their duty and
  - ii. The possession of such information will not give rise to a conflict of interest or appearance of misuse of information.
- e) The Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. and there shall be limited access to confidential information. Departmental heads shall ensure availability of locked storage space for storage of confidential documents and media.
  - f) 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.
  - g) 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.



- h) Documents containing Price Sensitive Information shall not be left unattended in a manner permitting access, reading, or copying by unauthorized persons working outside secure areas.
- i) To prevent the misuse of confidential information a "Chinese Wall" policy shall be adopted separating the Investment Personnel identified as Inside areas, which routinely have access to confidential information, from other departments.
- j) No Price Sensitive Information shall be communicated by the Designated Employees in the Insider Area to Designated Employees in the other departments, except in exceptional circumstances on the basis of "need to know" criteria, under intimation of the Head of the Department
- k) Research Analysts and Coverage Bankers shall not trade in the securities of the companies/ sectors that they cover.
- l) If the Designated 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 Designated Employee becomes aware of illegal or improper conduct by another Designated Employee, it is the obligation of such Designated Employee to report it to the Compliance Officer.
- n) Supervisors may be held responsible for failure to supervise an employee, if after learning of probable or actual misconduct, they fail to take appropriate action 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 code.

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

All Designated Employees should necessarily take a written permission from the BOD of the Company and Compliance 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 avoid any conflict of interest.

#### **(E) STRUCTURAL DIGITAL DATABASE**

The Compliance officer shall ensure and educate the Designated Employees to maintain a Structural



Digital Database (SDD). Every Designated 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 authorised 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.
- 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 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 changes.





## SECTION - IV TRADING IN SECURITIES

### A. Pre-clearance of Trades:

1. All Designated Employees of the Company including the Immediate Relatives (hereinafter referred to as “DE”) intending to deal in securities shall pre-clear their trades as per the pre- dealing procedure described hereunder.
2. All applications shall be made in such form indicating the name and estimated number of Securities that the Employee intends to deal in the specified format provided in the Employee Trading Portal used by the Company.
3. DEs who wish to trade shall be permitted to do so under the following express understanding:
  - That DEs do not have any access or has not received any Unpublished Price Sensitive Information up to the.
  - time of signing the undertaking.
  - That in case the DE has access to or receives Unpublished Price Sensitive Information 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 DE have not contravened the Code of Conduct for Prevention of Insider Trading as specified by the Company from time to time.
  - That DE has made a full and true disclosure in the matter.
4. Investments in Discretionary Portfolio Management Services (“DPMS”) is strictly prohibited. However, DEs are permitted to invest in Non- Discretionary Portfolio Management Services (“NDPMS”) only provided they obtain pre-clearance prior to every trade executed by the Portfolio Manager under this Code.
5. 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.
6. 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.

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

### B. Execution:

1. Where any transaction has been approved, the Employee including Immediate Relatives) 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.
2. In case any transaction has been rejected, the employee shall be free to re-apply for pre- clearance of the transaction after a period of not less than 7 calendar days from the date of rejection, and thereafter, such request shall be handled by the Compliance Officer like any other transaction pre-clearance requisition.
3. No Clearance including a condition 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 days from the date of clearance (as stated above), he/she shall apply for pre-clearance again.

4. 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.

**C. Exempt category of investments:**

These restrictions shall not apply to:

1. 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
2. Investments of non-financial nature such as gold, silver, real estate etc.
3. Investments in government securities, money market instruments and the term Money Market instrument shall have the same meaning as defined under the SEBI Regulations
4. Investments in Mutual Funds (equity, debt, balanced, liquid schemes), ETFs, Insurance products and Pension Funds.
5. Investment in Debentures.

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

All the investments in Securities by a Designated Employee, irrespective of the value, shall be held for a minimum period of 3 (Three) 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 Compliance Officer. The 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.

In respect of an application for an Initial Public Offer where the Company is associated, Employees will not be permitted to apply for allotment during the IPO.

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

**E. 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:

1. If a Designated employees 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 designated employee may not deal the same way for his/her own account or on behalf of dependent/related entity until the order or instruction has been executed or cancelled.





2. If a Designated Employee knows or should reasonably know that the Company has in its possession the result of research and analysis and will or may, publish to its clients those results or recommendations to effect transaction in investment based on those results, the designated employee shall not deal in the securities until the recommendations are published and such clients have had a reasonable opportunity to react to the recommendations. The reasonable opportunity would be interpreted as being a period of twenty-four hours from the time of distribution.
3. No Designated 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 customer or with his/her duty to any client or customer.
4. No Designated 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.
5. No Designated Employee shall make any application in any reserved quota such as promoter's quota, employee's quota, etc. or participate in any private placement of equity by any Company. However, the Designated Employees may make an application in a preferential offer if there is no conflict.
6. No Designated Employee shall purchase any security on a carry forward basis or indulge in short sale of any security. Designated 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.
7. Designated 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. All the Designated Employees would be required to give a declaration to this effect on an annual basis to the Compliance Officer.

#### **F. Chinese Walls:**

1. 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.
2. 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.
3. 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.
4. 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.
5. 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 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.





6. Personnel who are bought "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)
7. 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.
8. 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.
9. 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.
10. 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.

#### **G. Inclusion in Grey List:**

1. Any company, in respect of which Unpublished Price Sensitive Information has been received or is likely to be received in course of credit or investment appraisal or any other assignment taken up or under active consideration, shall be included in the Grey List.
2. Every business head, or other senior employee specifically authorised in this regard, shall be responsible for notifying the Compliance Officer promptly of companies to be included in the Grey List.
3. Each Designated Employee is responsible to ensure that the grey list inclusion and exclusion notifications are done on timely manner without any lapse; violation of this would be construed as serious violation under the terms of employment.
4. The Business Head / employee of the concerned department forms an opinion that he / she has Non-Public price sensitive information about such Company. In case, the company has disclosed certain information in the public domain, this would not constitute privileged information for the purposes of being classified under the Grey List.

#### **H. Effect of Grey Listing:**

Application for pre-clearance of trades in securities of Grey List companies shall be rejected by the Compliance Officer in the normal course unless he/she believes, on the basis of location and nature of duties, that the applicant is unlikely to have any knowledge of the relationship between the Company and the Grey List company. Reasons for approving trades in Grey List companies shall be recorded by the Compliance Officer.

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



1. Business heads or other senior authorised Designated Employees 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.
2. The Compliance Officer will have the discretion not to accept the recommendation or accept it with effect from a later date than recommended.

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

The following are some “Dos” and “Don’ts” to observe when in possession of confidential information:

<b>The Dos</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 or 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 code would be tantamount to violation of the service conditions. A violation memo will be issued by Compliance in case an employee violates the 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 code is enclosed as a Schedule I.
- iii. Separate disciplinary committee has been constituted with appropriate appellant 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 violation of these Regulations, the Company shall immediately inform the SEBI.

**C. Removal of doubts:**

The Designated Employee should contact the Compliance Officer in the event of any doubts/clarification on the provision of the code or on its applicability to the transactions he/she 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 Designated Employees and their dependents 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 record of the Designated Employees and any changes made in the list of Designated Employees.
- iii. The Compliance Officer shall maintain records of all the declarations given by the directors and designated 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 Designated 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.

**The Compliance Officer shall assist all the Designated Employees in addressing any clarification**





regarding SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

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

- i. It will be the responsibility of the Designated 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 Development department shall ensure that the Designated Employee has filed such statement before formal release of such designated employee from the Company's service.
- iii. The restrictions of trading in case of possession of UPSI will continue to apply to the resigned employees till six months from the date of separation or when the information becomes public whichever is earlier.

**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 alias 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 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 BOD 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.



## SECTION VI

### DISCLOSURES AND REPORTING REQUIREMENTS

- A. All Employees of the Company including immediate dependent relatives thereof shall be required to forward the following details of their securities transactions including the statement of Dependent family members and Related Entities to the Compliance Officer vide the system built in for this purpose:
- All holdings in Securities by Designated Employees at the time of joining the Company.
  - All holdings in unlisted securities.
  - Statement of transactions in Securities/ confirmation of holdings of Securities at annual basis duly signed and supported by the demat statement.
  - Annual confirmation of adherence of Code of Conduct supported by the Statement of all holdings in Securities and transaction statement for the year.
  - Compliance confirmation/ Undertaking as on when required in the format prescribed in this regard.
  - Any other information as specified from time to time.
- B. Normally these statements will be required to be produced on or before 15th May or such time as may be extended of 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.
- C. 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.
- D. The Compliance Officer shall place before the BOD or a Committee notified by the Company, all the details of the dealing in the securities by Designated 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 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 Board of Directors of the Company.



## SECTION - VIII

### FORMATS

Formats have been prescribed for the same and available on request from the compliance officer physically.





## **SCHEDULE – 1 (BREACH OF POLICY)**

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.

- Non-adherence of the initial disclosure requirement or pre-clearance process or internal timelines to report disclosure / undertaking.
- Submission of inadequate disclosure / undertaking on which organisation relied for onward submission to the Regulator or any legal authority.
- Violation of code or trading in securities when you are not considered as an Insider or connected person under the Code.
- Violation of code or trading in securities when you are deemed to be considered as an Insider or connected person under the Code.
- Violation reported by the Whistle blower or the Regulator and established after due investigation.
- 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.
- Front running, market manipulations and unauthorized communications.
- Conflicts in any nature not disclosed or wrongly disclosed; and
- Any other violation apart from mentioned above.

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

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.

### **AMENDMENT/ MODIFICATION/ WAIVER:**

This code may be amended and modified by the Board of the company from time to time to protect the interests or the Company and subject to the provisions of applicable laws, regulations or guidelines. As a general policy, the Board will not grant waiver of this code for any breach.

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