

# **KIFS BROKING PRIVATE LIMITED (KBPL)**

## **(NSE Member ID : 90171)**

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

[In Terms of Schedule-I of Regulation 12 (1) (a) SEBI (Prohibition of Insider Trading) Regulations, 1992 or as may be replaced / re-enacted by such other regulations]

#### **1. Introduction**

This policy aims to define and establish KIFS Broking private limited(KBPL) (herein after referred to as "the KBPL"), position and rules with respect to:

- Prevention of Insider trading of securities;
- Maintenance of confidentiality of Price Sensitive Information; and
- Adherence to Securities and Exchange Board of India's ('SEBI') applicable guidelines by all Connected or Deemed Connected persons including Director, Officer and Designated Employee for prevention of Insider trading.

#### **2. Objective**

The KBPL is committed to the preserving the confidentiality and preventing the misuse of any un-published price sensitive information. The KBPL is further committed to adherence to all applicable laws and regulations set forth by the Securities and Exchange Board of India ("SEBI") or the Stock Exchange with regards to prevention of Insider trading. Trading on insider information is not only illegal, but also tarnishes KBPL's corporate credibility. The KBPL is committed to ensuring transparency and fairness in dealing with all stakeholders of the KBPL. Any appearance of impropriety, however inadvertent, on the part of anyone connected or deemed to be connected with the KBPL could seriously harm the Companies reputation, besides invoking penalties and disciplinary actions from the Regulatory Authorities. The purpose of this document is to elucidate and inform to all Connected or any Deemed Connected persons to the KBPL that they have a responsibility and duty to preserve the confidentiality of all price sensitive information obtained in the course of his or her day to day operations and association with the KBPL. No Connected or Deemed Connected person may use his or her position or knowledge of the KBPL to gain personal benefit or to provide benefit to any third party. To achieve these objectives, the KBPL hereby notifies that this policy be followed by all Connected or Deemed Connected persons of the KBPL.

#### **3. Definitions**

Definitions of some of the key terms used in this policy are given below:

- (I) "Insider Trading" means when insiders use unpublished price sensitive information to arrive at securities trading/dealing (including buying as well as selling) decisions, the action is referred to as insider trading;
- (II) "Insider" means any person who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the KBPL or who has received or has had access to such unpublished price sensitive information;
- (III) "Connected Persons" means any person who is:
  - A Director of the KBPL;
  - An Officer or Designated Employee of the KBPL;
  - Has a professional or business relationship with the KBPL, such that he/she may be reasonably expected to have access to price sensitive information in relation to the KBPL, which includes but not limited to the Legal Advisors, Solicitors, Auditors, Consultants and Tax Advisors;
- (IV) "Deemed Connected Persons" means and includes:
  - Dependent family members of Connected Persons;
  - Any group KBPL, KBPL under the same management or subsidiary of the KBPL;
  - Bankers of the KBPL;
  - Merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, investment advisor, sub-broker or any employee thereof having a fiduciary relationship with the KBPL;
  - Trustees of any trust the beneficiaries of which include any of the Connected Persons;
  - Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the KBPL;
  - Any person who was a Connected Person, whether temporary or permanent six months prior to an act of insider trading;

- Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992.
- (V) "Dependent Family Members" shall mean spouse, dependent parents and dependent children and any other person dependant on the Officer and Designated Employee;
- (VI) "Officer of a KBPL" means any person as defined in clause (30) of section 2 of the Companies Act, 1956 (1 of 1956) including an auditor of the KBPL;
- (VII) "Designated Employee" shall mean:
  - Officer/employee comprising the top three tiers of the KBPL management, and include Senior Executive Directors, Executive Directors, Chief Executives, Senior Vice Presidents and Vice Presidents including Executive Secretary or Personal Assistant attached with every such officer/employee ;
  - Manager and above in the Finance, Accounts, Secretarial and Corporate Communications departments;
  - Such employees designated and notified by the Compliance Officer from time to time with the approval of the Managing Director;
- (VIII) "Dealing in Securities" means an act of subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent;
- (IX) "Price Sensitive Information" shall mean any information which relates directly or indirectly to KBPL and which if published is likely to materially affect the price of securities of KBPL.

The following shall be deemed to be price sensitive information:

- Periodical financial results of the KBPL;
- Intended declaration of dividends (both interim and final);
- Issue of securities or buy-back of securities;
- Any major expansion plans or execution of new projects;
- Amalgamation, mergers or takeovers;
- Disposal of the whole or substantial part of the undertaking;
- Any significant changes in policies, plans or operations of the KBPL;
- (X) "Unpublished" means information which is not published by the KBPL or its agents and is not specific in nature.
- (XI) "Compliance Officer" means an officer appointed by the Board for the purpose of monitoring, observing, educating the employees, setting forth the policies and administration of the procedure under the overall supervision of the Managing Director of the KBPL in relation to Compliance with this policy.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992.

#### **4. Policy For Prevention Of Insider Trading For KBPL:**

##### **A. Compliance Officer**

The KBPL has appointed Senior Employee as the Compliance Officer who shall report to the Corporate Governance Committee or such other Committee of the KBPL on matters relating to prevention of Insider trading as specified in the policy. His / Her duties should include the following:

- He /She shall be responsible for monitoring implementation of the policy under the overall supervision of the Corporate Governance Committee/Board;
- He /She shall maintain a record of Designated employees and any changes made to the list of Designated employees;
- He /She shall assist all the employees in addressing any clarification regarding the "KBPL's Policy on Prevention of Insider Trading" and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- He /She may in consultation with the Chairman and/or Managing Director and shall as directed by the Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- He /She shall maintain a record of prohibited period specified from time to time;
- He /She shall ensure that prohibited period is intimated to all concerned at least 24 hours before the commencement of the said period;
- He /She shall maintain records of all the declarations submitted in the appropriate form given by the

- Directors, Officers and Designated Employees;
- He /She shall inform all Stock Exchanges on which the securities of the KBPL are listed, the information received under as required and disclose to the extent, as required under SEBI and Stock Exchange rules;
- He /She shall place details of the dealing in the securities by Directors/Officer /Designated Employees before the Board on quarterly basis or as such period as may be required by the Board.

## **B. Preservation Of "Price Sensitive Information"**

### Maintenance Of Confidentiality

- All Connected and Deemed Connected persons including, Directors, Officers and Designated Employees of the KBPL shall maintain the confidentiality of all unpublished price sensitive information;
- Such persons shall also not pass on such information to any person directly or indirectly by means such as making a recommendation for the purchase or sale of securities etc.
- Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the KBPL who need such information to discharge their duties.
- All files, whether electronic or manual, containing confidential information shall be kept secure.

## **C. Chinese Wall**

- To prevent the misuse of confidential information the organisation has adopted a "Chinese Wall" policy which separates those areas of the organisation which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas".
- The employees in the inside area shall, as far as possible, be physically segregated from public areas and shall not communicate any Price Sensitive Information to any one in public area.
- In exceptional circumstances, employees from public areas may be brought "over the wall" and given confidential information on "need to know" basis under intimation to compliance officer.
- Further to monitor and strengthen the said Chinese wall procedures as well as to monitor trading in client securities based on inside information, KBPL shall formulate the restricted / grey list of such designated securities and modify the same from time to time.
- Such list shall also include the securities for which KBPL is handling any assignment or appraisal report or credit rating assignment and is privy to Price Sensitive Information. Such list shall be preserved as highly confidential information and shall maintained and updated from time to time by the Compliance Officer, with full secrecy.
- During the period any security is on Restricted / Grey list, trading by designated employees/ Directors may be blocked or disallowed at the time of pre-clearance.

## **D. Prohibition On Dealing, Communication or Counseling on Matters Relating to Insider Trading**

No insider when in possession of unpublished price sensitive information shall:

- \* Either on his behalf or on behalf of any other person deal in securities on the KBPL;
- \* Communicate or counsel directly or indirectly, any unpublished information to/from any person.

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

- All Directors / Key Managerial Employees / Designated Employees who intend to deal in the securities of the client KBPL above such minimum threshold limit as may be determined by the Top Management from time to time, shall pre-clear the transactions as per the pre-dealing procedure such as:
  - a. An application as per prescribed form to Compliance Officer to be submitted. (Refer Annexure :A)
  - b. An undertaking shall be executed in favour of KBPL as per prescribed format (Refer Annexure :B)
  - c. Once the pre-clearance approval is given, the order shall be carried out within one week. In case of failure, fresh pre-clearance approval shall required to be obtained.
  - d. Such securities bought after pre-clearance approval shall be hold for a period of atleast 30 days in order to establish the trade for investment purposes only. This period of 30 days shall also apply for IPO purchases also and in such cases, holding period shall start from date of actual allotment. However, in case of extreme personal emergency to sale the securities, such holding period may be waived by the Compliance Officer after recording his / her reason in writing in this regard.
  - e. Research Analysts, if any, while preparing the research reports of client KBPL, shall disclose his/her shareholdings/ interest in such KBPL to the Compliance Officer. Further, such Research Analysts shall not trade in securities of that KBPL for a period of 30 days from preparation of such report.

## **F. Reporting Requirements for transactions in securities**

1. All Directors/designated employees of the organisation shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the organisation/firm) to the Compliance Officer:—
  - (a) all holdings in securities by Directors/officers/designated employees at the time of joining the organisation;
  - (b) periodic statement of any transactions in securities (the periodicity of reporting may be defined by the organisation. The organisation may also be free to decide whether reporting is required for trades where pre-clearance is also required.
  - (c) annual statement of all holdings in securities.
2. The Compliance Officer shall maintain records of all the declarations given by the Directors/designated employees in the appropriate form for a minimum period of three years.
3. The Compliance Officer shall place before the Directors / Chief Executive Officer committee notified by the organisation, on a monthly basis all the details dealing in the securities by designated employees/Directors of the organization and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

#### **G. Penalty for contravention of code of conduct**

1. Any employee/Director who trades in securities or communicates information or counsels any person trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by KBPL.
2. Employees/Directors of the organization who violate the code of conduct may also be subject to disciplinary action by the KBPL, which may include wage freeze, suspension, etc.
3. The action by the organisation shall not preclude SEBI from taking any action, in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.
4. In case it is observed by the organisation/compliance officer that there has been a violation of these Regulations, SEBI shall be informed by the organisation.

#### **H. Revision in the policy**

KBPL reserves its right to amend, alter, edit, delete, modify all or any part of this code of conduct without any notice so as to make it compliant to various rules, regulations, byelaws, circular of SEBI from time to time.

**Note: This policy is approved and adopted by Directors of the KBPL in their meeting held on 21<sup>ST</sup> January 2022.**

Annexure: A

**APPLICATION TO THE COMPLIANCE OFFICER  
of KBPL.  
(NOTICE BY DESIGNATED EMPLOYEE / DIRECTOR REGARDING SHAREHOLDING)**

|                                 |  |
|---------------------------------|--|
| Name of the Employee / Director |  |
|---------------------------------|--|

**Part : 1**

|   |  |
|---|--|
| Name of the KBPL whose securities to be dealt in  |  |
| No. of shares to be dealt in  |  |
| No. of shares presently owned by the applicant  |  |
| Details of Demat Account No. wherein the aforesaid shares are held by applicant [Else details of physical shares such as Folio No., Certificate No., Distinctive No. etc. to be provided] |  |

**Part : 2**

|  |  |
|--|--|
| Details of Indirect Shareholding in KBPL whose securities to be dealt in {name of shareholder and relationship with applicant – such as spouse, child, Director, KBPL, Directorship} |  |
|--|--|

**Part : 3 :** Change in Details of Director / Indirect Shareholding in KBPL whose securities to be dealt in by applicant

|  |  |
|--|--|
| Name of Shareholder  |  |
| Relationship of shareholder with applicant   |  |
| Date of Change   |  |
| No. of shares held prior to change   |  |
| No. of shares purchased  |  |
| No. of shares sold   |  |
| Value / Consideration  |  |
| Nature of Change (e.g. on-market trade, off-market trade, exercise of options etc.)  |  |
| No. of shares held after change  |  |
| Details of Demat Account No. wherein the shares are held by applicant after such change[Else details of physical shares such as Folio No., Certificate No., Distinctive No. etc. to be provided] |  |

Signed : \_\_\_\_\_

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

Annexure: B

Rs. 50/-

**Undertaking**

**4th Floor, KIFS Corporate House, Beside Hotel Planet Landmark, Ambli, Ahmedabad – 380058  
Phone : 79-69240000 (NSE Member ID: 90171)**

**TO,  
THE COMPLIANCE OFFICER,  
KIFS Broking Private Limited.  
AHMEDABAD / MUMBAI.**

With reference to my application/notice regarding change due to purchase / sell of shares of M/s \_\_\_\_\_ attached herewith, I , Mr. / Ms. \_\_\_\_\_, a Designated Employee / Director of the KBPL do hereby declare and undertake as under:

- (1) I do not have any access or have not received any "Price Sensitive Information" of aforesaid KBPL upto the time of signing this undertaking.
- (2) In case, I will have access to or receive "Price Sensitive Information" of aforesaid KBPL after signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would completely refrain from dealing in the securities of the aforesaid KBPL till the time such information becomes public.
- (3) I have not contravened the code of conduct for prevention of insider trading as specified by the **KBPL** from time to time.
- (4) I have made a full and true disclosure in the matter.

Signed and submitted on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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

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

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Note: to be executed on stamp paper of appropriate value]