



3i Infotech Limited – Policy for Prohibition of Fraudulent and Unfair Trade Practices relating to securities market

1. Introduction

On July 17, 2003 SEBI has notified SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) 2003. In addition to this, SEBI (Employee Stock Options Scheme and Employees Stock Purchase Scheme), Guidelines, 1999, provides that the Company shall ensure that there exists a policy for compliance of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) 2003. This policy known as 3i Infotech Limited - Policy for Prohibition of Fraudulent and Unfair Trade Practices relating to securities market (Policy) is accordingly put in place herewith. The primary purpose of the Policy is to ensure that the Employees and Directors of the Company do not indulge in any fraudulent and unfair trade practices. Any breach of the provisions of the Policy shall be met with the disciplinary actions.

2. Applicability and effective date

The Policy shall be applicable to all Directors and the Employees of the Company (hereinafter referred as 'Concerned Person(s)'). The Policy shall be effective from January 24, 2005.

3. Definitions

In these regulations, unless the context otherwise requires,-

- a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- b) "Dealing in securities" includes an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in any security by any Employee or Director;



- c) "Company" means 3i Infotech Limited and its subsidiary companies within the meaning of Section 2 (87) of Companies Act, 2013;
- d) "Compliance Officer" means the officer appointed by the Company as compliance officer under 3i Infotech Code of Conduct for Prevention of Insider Trading.
- e) "Employee" means the permanent employee of the Company
- f) "Director" means the Director of the Company and its subsidiary companies;
- g) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a Concerned Person(s) or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include-
 - i. a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
 - ii. a suggestion as to a fact which is not true without believe it to be true;
 - iii. an active concealment of a fact with knowledge or belief of the fact;
 - iv. a promise made without any intention of performing it;
 - v. a representation made in a reckless and careless manner whether it be true or false;
 - vi. any such act or omission specifically declared to be fraudulent by any law,
 - vii. deceptive behaviour by a person depriving another of informed consent or full participation,
 - viii. a false statement made without reasonable ground for believing it to be true.

It will also include an act of giving out misinformation on behalf of the Company or otherwise that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly;

Nothing contained in this clause shall apply to any general comments made in good faith in regard to –

- i. the economic policy of the government
- ii. the economic situation of the country
- iii. trends in the securities market or
- iv. any other matter of a like nature whether such comments are made in public or in private.

h) "securities" means securities as defined in section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

Words and expressions used and not defined in these regulations, but defined in the SEBI Act, 1992 or in the rules or regulations made thereunder, shall have the meanings respectively assigned to them in the Act or rules or regulations made thereunder, as the case may be.

4. Prohibition of certain dealings in securities

The Concerned Person(s) shall not directly or indirectly-

- a. buy, sell or otherwise deal in securities in a fraudulent manner;

- b. use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
- c. employ any device, scheme or method to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
- d. engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities, which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

5. Prohibition of manipulative, fraudulent and unfair trade practices

Without prejudice to the above provisions, the Concerned Person(s) shall not indulge in a fraudulent or an unfair trade practice in securities.

Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

- a. indulging in an act which creates false or misleading appearance of trading in the securities market;
- b. dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
- c. advancing or agreeing to advance any money to any person thereby inducing any other person to offer to buy any security in any issue only with the intention of securing the minimum subscription to such issue;
- d. paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security

- with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;
- e. any act or omission amounting to manipulation of the price of a security;
 - f. publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;
 - g. entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;
 - h. selling, dealing or pledging of stolen or counterfeit security whether in physical or dematerialized form;
 - i. an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;
 - j. planting false or misleading news which may induce sale or purchase of securities.

6. Disciplinary actions:

Upon receipt of any information about any manipulative, fraudulent dealing in securities and unfair trade practices undertaken by the Concerned Person(s), the Compliance Officer shall carry out necessary enquiries and conduct the investigation. On establishing the non-compliance of the provisions hereof the Compliance Officer may call upon the Concerned Person(s) and hear them. Subsequent to this if found appropriate and necessary, he shall report the same to the Managing Directors & CEO of the Company for disciplinary and other actions against the Concerned Persons involved in such manipulative, fraudulent dealing in securities and unfair trade practices. If the Concerned Person(s) happens to be a Director, the Compliance Officer shall report the same to the Chairman of the Nomination and Remuneration Committee, who shall take such actions as he may deem fit and/or place the matter before the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall then take such actions as it may deem fit. It shall, where it deems necessary inform SEBI or any investigating authority under SEBI for further actions.