

**3i INFOTECH CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING BY DESIGNATED  
PERSONS OF INTERMEDIARIES**

as amended as per SEBI (Prohibition of Insider Trading Regulations), 2015

**CHAPTER 1 - PRELIMINARY**

**1. Title, Commencement & Extent:**

- 1.1 This Code is called 3i Infotech Code of Conduct for Prevention of Insider Trading by Designated Persons
- 1.2 This Code deals with the obligations of the Company as a 'Registrar and Transfer agent' for its Clients and incorporates the minimum standards as set out in Schedule C of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The amendments to the Code, if any, approved by Board of the Company from time to time will be effective from the date of approval by the Board. This Code shall be applicable to Designated Persons.

**CHAPTER 2 - DEFINITIONS**

**2. Definitions:**

In this Code, unless the context otherwise requires; -

- A. "Board" means the board of Director of the Company or any committee constituted by the Board for the purpose of this Code.
- B. "Code" means this 3i Infotech Code of Conduct for Prevention of Insider Trading by Designated Persons of Intermediaries, as modified from time to time.
- C. "Compliance Officer" means such senior officer so designated by the Board under this Code, and reporting to the Board and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to this Code and any other guidelines or framework issued by the Company for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code under the overall supervision of the Board , as the case may be pursuant to Clause 3 of the Code and the PIT Regulations.
- D. "Client" means any Indian company, which has Securities listed or traded on a recognized stock exchange in India and for whom the Company is acting or may act in future as an intermediary within the meaning of Section 12 of SEBI Act, 1992.
- E. "Company" means 3i Infotech Limited.

- F. "Connected Person" shall have the meaning ascribed to the term under sub-Regulation (d) of Regulation (2) of the PIT Regulations.
- G. "Trading" means and includes subscribing, buying, selling, dealing, pledging or agreeing to subscribe, buy, sell, deal in any Securities, and "trade" shall be construed accordingly.
- H. "Director" means a director of the Company.
- I. "Digital Database" shall be a database maintained by the Compliance Officer containing following information of Designated Persons, Immediate Relatives of Designated Persons, persons with whom such Designated Persons share a Material Financial Relationship, any other person for whom Designated Persons take trading decisions and persons who are in possession or have access to Unpublished Price Sensitive Information:
- i. Name;
  - ii. Phone and mobile numbers used by such persons;
  - iii. permanent account numbers ("PANs") or any other identifier authorized by law where such PAN is not available and
  - iv. disclosures and other details such as names of educational institutions from which Designated Persons have graduated and names of their past employers on a one time basis.

The Digital Database shall be updated on an annual basis or as and when information changes and shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

- J. "Designated Persons" shall mean:
- i. Directors of the Company;
  - ii. Promoters of the Company;
  - iii. all employees of the Company forming part of the intermediary - registrar and transfer division of the Company (irrespective of the grade / job rank of such employee);
  - iv. Any support staff to the intermediary- registrar and transfer division of the Company such as IT staff or secretarial staff who have access to Unpublished Price Sensitive Information; and
  - v. Immediate Relatives of (i) to (iv) above.

- K. "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis (and the term 'generally available' shall be construed accordingly).
- L. "Key Managerial Personnel" shall have meaning as prescribed in Section 2 (51) of the Companies Act, 2013 and as amended from time to time.
- M. "Legitimate Purpose" shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business by a Designated Person with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations as amended from time to time.
- N. "Restricted List" shall have the meaning ascribed thereto in Clause 9 of the Code
- O. "Immediate Relative" means a spouse of a person, and includes 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 decisions relating to trading in securities.
- P. "Insider" means any person who is-
- i. a Connected Person; or
  - ii. in possession of or having access to Unpublished Price Sensitive Information.
- Q. "Unpublished Price Sensitive Information" or "UPSI" means any information, which relates directly or indirectly to the Client or its Securities, that is not Generally Available Information which upon becoming Generally Available, is likely to materially affect the price of Securities of the Client as the case may be, and shall, ordinarily include but not restricted to, information relating to the following:
- i. periodical financial results;
  - ii. intended declaration of dividends (both interim and final);
  - iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - v. changes in Key Managerial Personnel (KMP); and
  - vi. Subject to the above the Board or any person authorized by the Board may identify and categorize such types of information as the may deem fit as UPSI having regard to the business of the Company
- R. "Material Financial Relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of loan or gift during the immediately preceding twelve months,

equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

- S. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- T. "Promoter Group" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- U. "PIT Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- V. "SEBI" means the Securities and Exchange Board of India.
- W. "Securities" 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 and shall mean the Securities of the Clients.
- X. "Material Subsidiary" shall have the meaning ascribed to such term under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Y. "Trading Day" means a day on which the relevant recognized stock exchanges are open for trading.

All terms used in this Code but if not defined herein shall have the meanings ascribed to them under the PIT Regulations, or the Companies Act, 2013 (if not defined under the PIT Regulations).

### **CHAPTER 3 - COMPLIANCE OFFICER - APPOINTMENT & ROLE**

#### **3. Compliance Officer**

- 3.1 The Company Secretary of the Company shall be the Compliance Officer for the purpose of the Code and will report to the Chairman of the Audit Committee of the Company. The Audit Committee of the Company shall review compliance with the provisions of PIT Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 3.2 In the absence of the Company Secretary, any other person as may be designated by the Chairman of the Audit Committee shall be the Compliance Officer for the purpose of the Code.

- 3.3 The Compliance Officer shall *inter alia*:
- 3.3.1 provide periodic reports to the Chairman of the Audit Committee and the Board of the Company, which shall not be less than once a year, including all the details of the Trading in Securities by Designated Persons.
  - 3.3.2 assist the Managing Director or the Board, as the case may be in setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information;
  - 3.3.3 update, maintain and monitor the Digital Database containing the details of Designated Persons and Insiders with whom any Unpublished Price Sensitive Information has been shared or who have access to any Unpublished Price Sensitive Information of the Client, whether in the ordinary course of business, or for Legitimate Purpose or in relation to substantial transactions involving takeovers, mergers or acquisitions or any other purpose in accordance with this Code. The Digital Database shall be updated by the Compliance Officer, on an annual basis or as and when information changes and shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.;
  - 3.3.4 give notice to Insiders with whom Unpublished Price Sensitive Information of the Clients has been shared for Legitimate Purpose as set out in Clause 4.1. of Chapter 4 (*Restrictions on Communication and Trading by Designated Persons and Insiders*) of this Code. This Code shall be annexed to such notice and would thereafter regulate and monitor such Insiders in the same manner as if such Insider were Designated Persons; and
  - 3.3.5 address any clarifications/ difficulties regarding the PIT Regulations and/or the Code and the implementation of the Code, under the overall supervision of the Board of the Company.
- 3.4 The Compliance Officer shall maintain all records under the Code and the PIT Regulations for a minimum period of five (5) years.
- 3.5 The Compliance Officer shall be responsible to formulate written policies and procedures for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information, which shall be approved by the Board of Directors of the Company and accordingly initiate appropriate inquiries on becoming aware

of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

- 3.6 The Compliance Officer may at any time, call for any demat account number and monitor dealing in Securities of Clients by accessing data base available with the Company.
- 3.7 The Compliance Officer may engage external consultants, advisors or experts for putting in place an IT-enabled software or system to automate the compliances under this Code including seeking disclosures and undertakings from Designated Persons and Insiders.

#### **CHAPTER 4 – RESTRICTIONS ON COMMUNICATION AND TRADING BY DESIGNATED PERSONS AND INSIDERS**

##### **4. Preservation of “Unpublished Price Sensitive Information”**

- 4.1 All Designated Persons and Insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information and must not pass on such information directly or indirectly by way of making a recommendation for the purchase or sale of Securities, or otherwise to any person including other Insiders except where such communication is in furtherance of Legitimate Purpose, performance of duties or discharge of legal obligations and otherwise in accordance with this Code.
- 4.2 Any person in receipt of Unpublished Price Sensitive Information pursuant to a Legitimate Purpose shall be considered as an “Insider” and such person shall maintain confidentiality of such Unpublished Price Sensitive Information.
- 4.3 Unpublished Price Sensitive Information must be handled by Insiders on a “need to know” basis, and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of the Insider's Legitimate Purposes, performance of duties or discharge of his legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.
- 4.4 Access to Unpublished Price Sensitive Information should be limited to the extent possible.
- 4.5 Files containing Unpublished Price Sensitive Information shall be kept secure. Computer files must have adequate security of login and password, etc.
- 4.6 To prevent the misuse of confidential information and Unpublished Price Sensitive Information, the Company has adopted a “Chinese Wall” policy which separates those areas

of the Company which routinely have access to confidential information or Unpublished Price Sensitive Information or both, considered "inside areas" from those areas which provides support services and that do not have access to such information, considered as "public areas", as discussed in Clause 7 below.

## **5. Trading when in possession of unpublished price sensitive information**

- 5.1 No Designated Person shall trade in Securities of Clients that are listed or proposed to be listed on a stock exchange when in possession of Unpublished Price Sensitive Information of the Client.
- 5.2 When a person who has traded in securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.
- 5.3 In the case of Insiders being Connected Persons, the onus of establishing that they were not in possession of the relevant Unpublished Price Sensitive Information, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

## **6. Prevention of misuse of Unpublished Price Sensitive Information**

- 6.1 Unless otherwise expressly allowed in this Code, Designated Persons shall not use Unpublished Price Sensitive Information of the Client for Trading in Securities, whether on their own account or their Immediate Relatives' account, on account of any other person for whom Designated Persons take trading decisions, on account of persons with whom such Designated Persons share a Material Financial Relationship or Client's account, and further shall ensure that their Immediate Relatives and such other persons shall also not engage in trading in Securities on their own account, if such Designated Person is in possession of any such Unpublished Price Sensitive Information.

## **7. Chinese wall policy**

- 7.1 The 'Chinese Wall' policy means and aims at physically segregating the functional areas within the Company that are processing and access confidential and Unpublished Price Sensitive Information of Clients routinely from the other areas. The basic objective is to limit the access to confidential and Unpublished Price Sensitive Information of Clients, on need-to-know basis and thereby monitor and prevent the misuse of the same, during the mutual interactions between such areas. The areas processing or accessing confidential and Unpublished Price Sensitive Information of Clients shall be considered as "inside areas" and all the other areas that do not have access to such information shall be regarded as "public areas".

- 7.2 Except as expressly permitted under this Code, the Insiders in the inside area shall not communicate any confidential or Unpublished Price Sensitive Information to anyone in public area.
- 7.3 The Designated Persons in inside area shall be physically segregated from persons in the public area.
- 7.4 There shall be proper demarcation of relevant areas as inside areas.
- 7.5 In exceptional circumstances, Designated Persons and other persons from the public areas may be brought "over the wall" and given access to confidential and Unpublished Price Sensitive Information strictly on the basis of "need to know" criteria, under intimation to the Compliance Officer.
- 7.6 Except as otherwise specifically determined by the Compliance Officer (and communicated to employees of the Company and Designated Persons, the Company's following functional /sections of Transaction Processing Department of the Company shall be considered as inside areas in respect of Securities of Clients:
- Equity Shares
  - Debt securities
  - Retail Borrowings
  - Wholesale Borrowings
  - Depository services section
- 7.7 The Designated Persons within the inside area shall take particular care as to distribution and storage of material, non-public information/ documents containing confidential and Unpublished Price Sensitive Information of the Clients. Appropriate security measures as to passwords, document reproduction and distribution, and secure storage should be exercised.

## **CHAPTER 5 – REQUIREMENTS FOR TRADING IN SECURITIES OF THE CLIENT**

### **8. Restricted list**

- 8.1 In order to monitor trading in Securities other than those of the Company, by Designated Persons, the Compliance Officer shall maintain (and update, as required) a list designated as Restricted List. The Compliance Officer shall confidentially maintain the Restricted List.
- 8.2 Securities of a Client shall be put on the Restricted List if the Company is handling any assignment for it and Designated Persons are privy to Unpublished Price Sensitive Information of such Client.



- 8.3 Securities which are being purchased or sold or are being considered for purchase or sale by the Company on behalf of its Clients shall be put on the Restricted List.
- 8.4 In addition to the Securities as mentioned in Clauses 8.3 and 8.4 above, the Compliance Officer may add any other Securities that it so deems necessary to be included in the Restricted List.
- 8.5 When any Securities are on the Restricted List, Trading in these Securities by Designated Persons shall be blocked or shall be disallowed.

## CHAPTER 6 - OTHER COMPLIANCES

### **9. Reporting Requirements**

- 9.1 Every public disclosure under this Clause shall be made in writing, in such form as may be specified by SEBI.
- 9.2 The disclosures to be made by any Designated Person under this Clause shall include those relating to Trading by such person's Immediate Relatives, by any other person for whom such person takes trading decisions and by any other person with whom such Designated Person shares a Material Financial Relationship.
- 9.3 The disclosures of Trading in Securities shall also include Trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Clause; provided that Trading in derivatives of Securities is permitted by any law for the time being in force.
- 9.4 The disclosures made under this Clause shall be maintained by the Company, for a minimum period of 5 (five) years, in such form as may be specified by SEBI in writing.
- 9.5 Designated persons shall be required to disclose names, phone and cell numbers which are used and PANs or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:
  - 9.5.1 Immediate Relatives;
  - 9.5.2 persons with whom such designated person(s) shares a Material Financial Relationship; and
  - 9.5.3 any other person for whom Designated Persons take trading decisions.

- 9.6 In addition, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall also be disclosed on a one time basis.
- 9.7 The Compliance Officer shall record all information provided by Designated Persons pursuant to Clause 9.5 and 9.6 above in the Digital Database maintained by the Company.

## CHAPTER 7 - MISCELLANEOUS

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

- 10.1 Every Designated Person shall be individually responsible for complying with the provisions of the PIT Regulations and the Code to the extent applicable.
- 10.2 Any Director who violates the Code shall be subject to disciplinary action, as may be deemed fit by the Board of the Company.
- 10.3 Any Designated Person who violates the Code shall be subject to disciplinary action, which may include freeze on emoluments, ineligibility for future participation in the stock option plans or suspension/termination of service/contract, recovery, clawback or any other action as may be deemed fit by the Board.
- 10.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of the PIT Regulations.

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

In case, it is found by the Company or Compliance Officer that there has been a violation of the PIT Regulations, the same shall be informed to SEBI promptly.

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