

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

Code Control

A. Code Custodian:

Division	Compliance
In-Charge	SONAL RAMACHANDRAN
Contact	sonal@equitymaster.com

B. Code Version Control:

Sr. No.	Version Number	Version Date
1	Version 1.0	August 1, 2021
2		

C. Code Governance:

Frequency of Review	Annual
Last Reviewed On	
Approval Path	

INDEX

1.	INTRODUCTION:.....	4
2.	APPLICABILITY:	4
3.	OBJECTIVES AND PRINCIPLES:	4
4.	DEFINITIONS:	5
5.	ACCOUNTS COVERED:	8
6.	SECURITIES / INVESTMENTS NOT COVERED:	8
7.	PROHIBITION ON DEALING, COMMUNICATION OR COUNSELING:.....	10
8.	NEED TO KNOW BASIS:	10
9.	MAINTENANCE OF CONFIDENTIALITY:	10
10.	PROHIBITION ON DEALING AND TRADING IN SECURITIES:	10
11.	MONTHLY ANALYST PRIORITY LIST:	11
12.	PROCESS TO BE FOLLOWED IN SENSITIVE TRANSACTION(S):.....	11
13.	CHINESE WALLS:	12
14.	PRE-CLEARANCE OF PERSONAL INVESTMENT TRANSACTIONS:	13
15.	CRITERIA TO BE FOLLOWED FOR PRE-CLEARANCE OF A TRANSACTION: ...	13
16.	EXEMPTION FROM OBTAINING PRE-CLEARANCE:.....	13
17.	VALIDITY OF APPROVAL:.....	14
18.	COMPULSORY HOLDING PERIOD / RESTRICTION ON TRANSACTIONS:.....	15
19.	INVESTMENTS THROUGH PORTFOLIO MANAGERS	15
21.	REVIEW OF COMPLIANCE:	17
22.	ROUTING OF TRANSACTIONS:	17
23.	MAINTENANCE OF RECORDS /OTHER MISCELLANEOUS RESTRICTIONS:	17
24.	PERIODIC DISCLOSURES:.....	18
25.	MAINTENANCE OF DISCLOSURE RECORDS:	18
26.	DIGITAL DATABASE:	18
27.	DOCUMENTS TO BE SHARED BY DESIGNATED EMPLOYEES:	19
28.	INTERNAL CONTROL SYSTEM:	19
29.	MECHANISM ON INTERNAL CONTROL:.....	19
30.	REVIEW BY THE BOARD OF DIRECTORS:.....	20
31.	SEBI REGULATIONS/STATUTORY PROVISIONS TO PREVAIL:.....	20
32.	DISCLAIMER:	20
33.	PENALTY FOR CONTRAVENTION OF THE CODE:.....	20

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

1. INTRODUCTION:

- 1.1 Equitymaster Agora Research Private Limited (**Company or Equitymaster**), being a SEBI registered research analyst is committed towards preserving the confidentiality and preventing the misuse of any Unpublished Price Sensitive Information (**UPSI**) (*defined hereinafter*) and adhering to all the applicable laws and regulations set forth by the Securities and Exchange Board of India (**SEBI**).
- 1.2 In pursuance of its commitment this Code of Conduct for Prevention of Insider Trading (**Code**) is formulated and adopted by Equitymaster to ensure handling of UPSI in compliance with the requirements laid down in the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**PIT Regulations**), as amended from time to time and for monitoring and reporting of trades by Designated Employees of Equitymaster.

2. APPLICABILITY:

- 2.1 This Code shall be applicable to all the Designated Employees (*defined hereinafter*) of Equitymaster and their Immediate Relatives (*defined hereinafter*) unless specifically excluded for the purposes of this Code. This Code shall come into force with effect from **August 01, 2021**.
- 2.2 This Code aims to define and establish rules & processes with respect to:
 - a. Prohibition and prevention of insider trading of securities;
 - b. Maintenance of confidentiality of UPSI; and
 - c. Adherence to SEBI's applicable guidelines by all Designated Employees, connected persons or deemed connected persons including directors and officers for prohibition of insider trading.
- 2.3 A declaration cum undertaking in the format enclosed and marked as **Form A** shall be given by the Designated Employees within 15 (fifteen) days of the date of adoption of the Code or date of joining Equitymaster, whichever is later;

3. OBJECTIVES AND PRINCIPLES:

- 3.1 To ensure that all personal securities transactions are conducted consistent with the guidelines laid down in this Code and in such manner so as to avoid any actual or potential conflict of interest arising from such dealings or trading of securities or any abuse of an individual's position of trust and responsibility.
- 3.2 No person to whom this Code applies shall take undue advantage of any price-sensitive information that they may have about any Security.
- 3.3 To guide Designated Employees of Equitymaster in maintaining a high standard of probity that one would expect from an employee in a position of responsibility.
- 3.4 To prevent the use of research report or research analysis to manipulate the securities market.

4. DEFINITIONS:

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

- a. **“Board”** means the Board of Directors of the Company.
- b. **“Company”** means Equitymaster Agora Research Private Limited.
- c. **“Compliance Officer”** means any senior officer, designated so and reporting to the Board of Directors of the Company, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- d. **“Connected Person”** means a ‘Connected Person’ as defined under Clause 2(d) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, which includes:
 - (i) any person who is or has, during the six months prior to the concerned act been associated with the 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 between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI 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) an 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 Securities and Exchange Board Act, 1992, as amended, 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 recognised or authorized by SEBI; 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;

- e. **Controlled Account** means other accounts that a Designated Employee could be expected to influence or control which includes:
- i. accounts of spouse;
 - ii. accounts of other Immediate Relatives;
 - iii. partner who reside in the same household or to whom the Designated Employee or it's spouse or domestic partner contribute substantial support;
 - iv. person with whom such designated employee(s) share a material financial relationship;
 - v. HUF in which the designated employee is a Karta or a co-parcener;
 - vi. trust accounts for which the Designated Employee acts as trustee or otherwise guide or influence; or
 - vii. corporate accounts controlled, directly or indirectly, by the Designated Employee.
- f. **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, sell, pledge, encumber or deal in any securities either as principal or agent.
- g. **“Designated Employee”** means and includes: (i) All the Employees of Equitymaster and its subsidiaries including its Whole-Time Directors (hereinafter referred to as “Employees”) (ii) any other individuals as connected to Equitymaster as may be determined by the Board of Directors from time to time considering the objectives of the Code.
- h. **“Director”** means the Director as defined under Companies Act, 2013.
- i. **“Equitymaster”** means Equitymaster Agora Research Private Limited,
- j. **“Financial Literate”** means a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows.
- k. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- l. **“Insider”** means as defined under Clause 2(g) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which includes:
 - (i) a Connected Person; or
 - (ii) a person in possession of or having access to UPSI.
- m. **“Insider Trading”** means actions where insiders use UPSI to arrive at securities trading/dealing (including buying as well as selling) decisions.
- n. **“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.
- o. **“Key Managerial Personnel (KMPs)”** means:

- (i) Managing Director/Whole-time director/Manager under Companies Act, 2013;
 - (ii) Chief Executive Officer
 - (iii) Chief Financial Officer; and
 - (iv) Company Secretary.
- p. **“Legitimate Purpose”** shall include sharing of UPSI in ordinary course of business by an Insider with Partners, Collaborators/ Lenders, Customers, Suppliers, Merchant Banker, 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 these Regulations.
- q. **“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 during the immediately preceding twelve months, equivalent to at least 25% of such designated person’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.
- r. **“Monthly Analyst Priority List”** means the list comprising securities on which Equitymaster may release the research recommendation or conduct research analysis during a given month and as finalized by the Head-Research;
- s. **“Need to Know basis”** means that UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- t. **“PIT Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- u. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund; .
- v. **“Unpublished Price Sensitive Information”** or **“UPSI”** shall have the meaning as defined under the PIT Regulations which 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, information relating to the following:
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - (v) changes in key managerial personnel.
- w. **“Whole Time Director”** means a Whole Time Director as defined under the Companies Act, 2013.
- 4.2 Words and expressions used and not defined in this Code but defined in the PIT Regulations, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies

Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

4.3 Words and expressions not defined in this Code shall have the same meaning as contained in PIT Regulations.

5. ACCOUNTS COVERED:

5.1 This Code is applicable to any Dealing in Securities made:

- a. in the name of the Designated Employee as defined in definitions above, either individually or jointly with any other person;
- b. in the name of the spouse, (whether or not financially dependent);
- c. in the name of 'immediate relative' of the Designated Employee;
- d. by trust for which the Designated Employee act as trustee or Designated Employee otherwise guide or influence;
- e. by a body corporate and/or partnership firm controlled, directly or indirectly, by the Designated Employee;
- f. by the Designated Employee as a karta/member of a Hindu Undivided Family (HUF); and
- g. in other accounts of which a Designated Employee is expected to exercise control or influence control (defined as controlled accounts).

5.2 This Code also applies to transfer of securities made by the Designated Employee in the name of his/her spouse and/or dependent 'immediate relatives' and Dealing in Securities through any SEBI Registered Portfolio Manager.

6. SECURITIES / INVESTMENTS NOT COVERED:

6.1 The guidelines of this Code do not apply to the following investments by the Designated Employee or their immediate relatives:

- a. Investments in fixed deposits with banks/financial institutions/companies, life insurance policies, provident funds (including public provident fund) or investment in savings schemes such as National Savings Certificates, National Savings Schemes, Kisan Vikas Patra or any other similar investment.
- b. Investments of a non-financial nature such as gold, real estate etc., where there is no likely conflict between interest of Equitymaster and the employees' interest.
- c. Investments in Government securities, money market instruments and money market mutual fund schemes.

- d. Investment in Mutual Funds including Tax Saver Mutual Fund schemes or in any other Tax Saver Instrument notified by the Government under the Indian Income Tax Act as such and in Tax Free Bonds. However, pre-clearance of the Compliance Officer or the CEO is required for:
 - i. Dealing in any Scheme of Quantum Mutual Fund including Tax Saver Schemes of Quantum Mutual Funds; and
 - ii. Dealing in index funds.

TREATMENT OF UPSI

7. PROHIBITION ON DEALING, COMMUNICATION OR COUNSELING ON MATTERS RELATING TO INSIDER TRADING:

7.1 No Insider when in possession of UPSI shall:

- a. either on his behalf, or on behalf of any other person or through its SEBI Registered Portfolio Manager, deal in securities of such company whose UPSI he/she possesses; or
- b. communicate or counsel directly or indirectly, any unpublished information to/from any person.

8. NEED TO KNOW BASIS:

8.1 All information shall be handled within Equitymaster on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

9. MAINTENANCE OF CONFIDENTIALITY:

9.1 Insider shall maintain the confidentiality of all UPSI.

9.2 Such persons shall also not pass on such information to any person directly or indirectly.

9.3 UPSI is to be handled on a "need to know basis", i.e., UPSI should be disclosed only to those within or outside the Company who need such information to discharge their duties.

9.4 All files, whether electronic or manual, containing confidential information shall be kept secure.

9.5 UPSI may be communicated, provided, allowed access to or procured only after duly executing confidentiality and non-disclosure agreement with such parties for keeping information so received confidential.

10. PROHIBITION ON DEALING AND TRADING IN SECURITIES WHILE PROVIDING RESEARCH RECOMMENDATION:

10.1 No Designated Employee engaged in the process of research and providing recommendation on a particular security shall trade or deal in that security for thirty days before and seven days after the publication of a research report including through its SEBI Registered Portfolio Manager.

10.2 No Designated Employee shall deal or trade directly or indirectly in any Security including through its SEBI Registered Portfolio Manager that he/she reviews in a manner contrary to his given recommendation for a period of at least 30 days from the date of issuance of such recommendation.

11. MONTHLY ANALYST PRIORITY LIST:

- 11.1 The Monthly Analyst Priority List, which is finalized by the Head-Research and maintained by the Compliance Officer, is one of the tools Equitymaster uses to monitor the information barriers and otherwise ensure that regulatory requirements are met. The Monthly Analyst Priority List regulates trading by Designated Employees in securities of entities listed under the Monthly Analyst Priority List.
- 11.2 The type and extent of the prohibitions vary depending upon the particular form of a transaction and the nature of the Equitymaster's involvement. Upon becoming aware of a violation, the Designated Employee should notify the Compliance Officer immediately. Corrective action should not be taken without Compliance Officer's approval. No Designated Employee may trade in the securities of issuers on the Monthly Analyst Priority List.
- 11.3 The Monthly Analyst Priority List is proprietary and confidential information and therefore should not be communicated except on need to know basis as per section 8.

Guidelines for Adding Securities to the Restricted List:

- 11.4 The Designated Employees must notify the Head-Research when an issuer should be placed on the Monthly Analyst Priority List. Generally, a company is placed on the Monthly Analyst Priority List in the beginning of every month when it is determined to conduct research analysis or prepare research recommendation for the respective issuer. The addition of an issuer to Monthly Analyst Priority List should be kept utmost confidential and shall not be disclosed to any third party except on need to know basis as per section 8.
- 11.5 The Monthly Analyst Priority List is used to monitor employee trading relating to certain companies to avoid actual and potential conflicts of interest and any appearance of impropriety.

Effect of Adding a company to the Monthly Analyst Priority List:

- 11.6 When a company is placed on the Monthly Analyst Priority List, Designated Employees shall not trade in such securities of issuers on the Monthly Analyst Priority List in their personal accounts or accounts of immediate relatives or other accounts referred in clause 5.1 above.

Updating the Compliance Officer:

- 11.7 A Designated Employee or a designated member of the Research team must notify the Head-Research immediately with respect to any significant developments that may affect the Monthly Analyst Priority List. The Head-Research will determine when a company can be removed from the Monthly Analyst Priority List.

12. PROCESS TO BE FOLLOWED IN SENSITIVE TRANSACTION(S):

- 12.1 The Chief Executive Officer shall give prior notice to the Designated Employees who are brought inside on sensitive transaction(s) and also make them aware about the duties and responsibilities attached to receipt of inside information and liability that attaches to misuse or unwarranted use of such information on case to case basis.

13. CHINESE WALLS:

- 13.1 Company has established procedures and physical arrangements (collectively ‘Chinese Walls’) designed to manage confidential information and prevent the inadvertent spread and misuse of inside information, or the appearance thereof.
- 13.2 In general, Chinese Walls separate areas that have access to inside information (“Insider Areas”) from those who do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to the passing of Inside Information and Confidential Information.
- 13.3 Designated Employees and Connected Persons working within an Insider Area are prohibited from communicating any Confidential or inside information to employees in Public Areas without the prior approval of Compliance Officer.
- 13.4 Certain ‘outsiders’ to be treated as ‘insiders’: The Board of the Company understands and hereby sets-out, for the purpose of this Code and in relation to handling of all UPSI of the Company, that if any UPSI is communicated by an insider to its partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants for legitimate purposes, then such third parties shall also be considered ‘insiders’ and shall be bound to maintain confidentiality of the UPSI so shared with them. The Company shall get a ‘Confidentiality/Non-Disclosure Agreement’ executed with them (for enforcement purpose) and a copy of their PAN (Permanent Account Number) card will be obtained and preserved with the Company. They shall further be informed that a database will be maintained by the Company with their names written, wherein they will be identified as recipients of the UPSI, and the Confidentiality/Non-Disclosure Agreement executed with them and their PAN card copy shall also be preserved by the Company in the said database, in due compliance with the provisions of the Regulations.

14. PRE-CLEARANCE OF PERSONAL INVESTMENT TRANSACTIONS:

- 14.1 All Designated Employees, except the Compliance Officer, must apply in the form prescribed by the Company to the Compliance Officer of the Company for prior approval of any transactions relating to Security other than those expressly stated to be exempt under this Code. In case of transactions by the Compliance Officer, he/she shall apply to the CEO of Equitymaster. The decision of the Compliance Officer and the CEO as the case may be shall be final and shall be binding on the Designated Employees.
- 14.2 In case of investments in the Systematic Investment Plan (SIP) or Systematic Withdrawal Plan (SWP) of any scheme of Quantum Mutual Fund including Tax Saver Schemes of Quantum Mutual Funds, or Index Funds, the Designated Employees shall apply only at the time of first installment of the SIP.
- 14.3 In these guidelines, in the case of the Compliance Officer's own transactions for purchase or sale of 'securities covered' or disclosure or any other related matter, the term "Compliance Officer" wherever it appears, should be read as "CEO".
- 14.4 The Compliance Officer may co-ordinate with the Research Department of the Company, wherever necessary, for the purpose of clearing requests of investment/trading in securities by the Designated Employees.

15. CRITERIA TO BE FOLLOWED BY COMPLIANCE OFFICER FOR PRE-CLEARANCE OF A TRANSACTION:

- 15.1 The Compliance Officer shall clear or approve the requests for pre-clearance of securities transactions, if the following conditions are met:
- a. if the shares/debentures/bonds/warrants/units of the company/fund specified by the Designated Employee in their pre-clearance application are not covered under the Monthly Analyst Priority List/Restricted List as finalized by the Head-Research for the relevant month.
 - b. if the shares/debentures/bonds/warrants/units of the company/fund for which approval is sought by the Designated Employees are not proposed to be recommended for its subscribers or any of its clients;
 - c. in case the Company has recommended the securities covered under the application, a period of seven days after the publication of a research report has lapsed.

16. EXEMPTION FROM OBTAINING PRE-CLEARANCE FOR TRANSACTIONS IN SECURITIES COVERED:

- 16.1 Notwithstanding what is stated in paragraph above, a Designated Employee may apply in a preferential offer, in cases where such a preferential offer is being made by a Company that belongs to the same industrial group as that of one in which the Designated Employee already has an investment, provided that such a preferential offer is made to all shareholders/debenture holders of such companies. Details of such applications made, however, should be intimated to the Compliance Officer.

16.2 All Designated Employees and their Immediate Relatives may apply for any rights offer of any company in which they are already shareholders without getting the clearance from the Compliance Officer. Designated Employees and/or their immediate relatives may also sell/renounce their rights entitlement without getting the clearance from the Compliance Officer. In case any Designated Employee and/or their Immediate Relatives wishes to purchase the “rights renunciations”, the Designated Employee should get the clearance of the Compliance Officer for doing the same. Such purchases of rights renunciations should be done only at market prices. Details of any applications made in any rights issue, whether in the normal course, or through purchase of rights renunciations, shall be intimated to the Compliance Officer.

16.3 Procedure for Pre-clearance of Trade:

- a. An application alongwith undertaking for pre-clearance of trade in **Form B** shall be made in specified format to the Compliance Officer.
- b. The undertaking shall, *inter-alia*, have the following clauses, as may be applicable:
 - (i) Designated Employee does not have any access or has not received UPSI;
 - (ii) He/she has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the Security of which he or she has access to or received the UPSI till the time such information becomes public;
 - (iii) That he or she has not contravened the “Policy for Prevention of Insider Trading” as notified by the Company from time to time; and
 - (iv) That he or she has made a full and true disclosure in the matter.
 - (v) That he or she is not subject to the trading restrictions stipulated at paragraph 12 of this Code;
- c. Post receipt of duly executed application form and undertaking, the Compliance Officer, may subject to his/ her satisfaction grant the pre-clearance.
- d. All Designated Employees shall execute their order in respect of the Securities within the time period as mentioned in pre-clearance.
- e. In case the transaction is not undertaken, a report to that effect shall be filed within two trading days of expiry of the pre-clearance in **Form C** with the Compliance Officer.

17. VALIDITY OF APPROVAL:

- 17.1 The Compliance Officer will intimate his/her approval/disapproval to the application within 1 business day on a best effort basis.

17.2 The approval of Compliance Officer for carrying out a transaction of sale or purchase of a security that is subject matter of an application for pre-clearance by the Designated Employees shall be valid for not more than 3 trading days from the date of approval.

17.3 If a transaction approved by Compliance Officer has not been effected within the period not exceeding 3 trading days from the date of its approval, the Designated Employee shall be required to obtain prior approval once again from Compliance Officer for effecting the said transaction.

18. COMPULSORY HOLDING PERIOD / RESTRICTION ON TRANSACTIONS:

18.1 All Designated Employees shall hold their investments, including Index Funds for a minimum period of 30 days from the date of purchase in order for the investments to be considered as being held for investment purposes. The said holding period shall also apply to purchases in the primary market (IPO), in which case the holding period would commence when the securities are actually allotted. However, such restrictions to trade or deal in securities may be eased subject to the prior written approval of the CEO/Compliance Officer in the event there is any significant change in the personal financial circumstances of the Designated Employee.

18.2 A Designated Employee who is a connected person of a listed entity shall not execute a contra trade within a period of 6 months from the date of the previous transaction i.e. if securities of a listed entity are sold then the connected person is prohibited from executing a purchase transaction in the same security until expiry of 6 months of the sale transaction and vice versa.

18.3 All Designated Employees must refrain from profiting from the purchase and sale or sale and purchase of any security within the compulsory holding period. However, in cases where it is done, inadvertently or otherwise, the profits from such trade shall be liable to be disgorged, the Designated Employee shall provide a suitable explanation to the Compliance Officer, which shall be reported to the Board of Equitymaster at the time of review.

19. INVESTMENTS THROUGH PORTFOLIO MANAGERS

19.1 All Designated Employees or their immediate relatives who wish to appoint SEBI registered Portfolio Managers (Portfolio Manager) for availing discretionary/non-discretionary portfolio management services shall submit a written application alongwith the initial contract to that effect to the Compliance Officer for pre-clearance of such investment. Such an application shall specify the following details:

a. Details to be given by the Designated Employees:

- i. Amount of funds/initial contribution given to the Portfolio Manager for management;
- ii. Nature of holding.

b. Details of the Portfolio Manager:

- i. Address for Correspondence.
- ii. Besides above, if need be, the Compliance Officer can request for additional documents from the concerned Designated Employee.

19.2 Once the application is approved by the Compliance Officer, the Designated Employee shall submit a copy of the relevant Portfolio Management Agreement entered with the Portfolio Manager. Pre-clearance of the Compliance Officer will be required for all subsequent dealings in securities made by the Portfolio Manager in the account of the Designated Employee, additions or withdrawals of the amount from the account maintained by the Portfolio Manager of the Designated Employee or as well as the Immediate Relative as the case maybe.

OTHER MISCELLANEOUS GUIDELINES:

20. DUTIES OF COMPLIANCE OFFICER:

- 20.1 The Company shall appoint any senior person as the Compliance Officer who shall report to the Board on matters relating to prevention of insider trading as specified in the Code. His/her duties shall include the following:
- a. He/She shall be responsible for monitoring implementation of the Code under the overall supervision of the Board;
 - b. He/She shall assist all the employees in addressing any clarification regarding this Code and the PIT Regulations;
 - c. He/She shall maintain records of all the declarations submitted in the appropriate form given by the Designated Employees;
 - d. He/She shall report on Insider Trading to the Board of Directors of the Company and in particular, shall provide reports of dealing in securities by the Designated Employees to the Chairman of the Board of Directors at half yearly intervals.
 - e. He/She shall implement the punitive measures or disciplinary action prescribed for any violation or contravention of the Code of Conduct;
 - f. He/She shall do all such things as provided in the PIT Regulations and as may be prescribed by SEBI from time to time.

21. REVIEW OF COMPLIANCE:

- 21.1 The Board of Directors of the Company shall review the compliance with the provisions of the PIT Regulations at least once in a financial year and shall verify that internal control systems of the Company are adequate and operating.

22. ROUTING OF TRANSACTIONS:

- 22.1 All Designated Employees shall inform Equitymaster of the name of the broker through whom they will do all their securities transactions. All Transactions in Securities shall be strictly routed through brokers specified by Equitymaster and as intimated to you from time to time.

23. MAINTENANCE OF RECORDS /OTHER MISCELLANEOUS RESTRICTIONS:

- 23.1 The Compliance Officer shall maintain a record of all requests for pre-clearance regarding the purchase or sale of a security, including the date of the request, the name of the Designated Employees, the details of the proposed transaction and whether the request was approved or denied and waivers given, if any, and its reasons.
- 23.2 No Designated Employee shall purchase any Security on a “carry forward” basis or indulge in “short sale” of any Security.

- 23.3 No Designated Employee shall transact in derivatives directly or indirectly relating to Securities of entities listed on the Indian securities exchanges.
- 23.4 Any transaction of front running by any Designated Employees, directly or indirectly is strictly prohibited. For this purpose, 'front running' means any transaction of purchase/sale of a security carried by any Designated Employee whether for self or for any other person, knowing fully well that Equitymaster also intends to recommend the same security for its clients. For the purpose of ascertaining that the Designated Employee had no prior knowledge of Equitymaster intended transactions, the Compliance Officer may take a declaration in this regard from the Designated Employee. Such declaration shall be included in the application form itself.
- 23.5 None of the Designated Employees shall pass on information to anybody inducing him to buy/sell securities which are being recommended by Equitymaster.
- 23.6 The Compliance Officer will keep track of the transactions of the Designated Employees and recommendations of Equitymaster so as to ensure that there is no conflict of interest.

24. PERIODIC DISCLOSURES:

- 24.1 All Designated Employees shall submit, details of their personal transactions of purchase or sale of securities to the Compliance Officer. These details shall be submitted as follows:
- a. details of transactions effected for purchase/sale of securities including dealing in Quantum Mutual Fund and index funds in **Form D** including transactions in rights entitlements through the secondary market within 7 calendar days from the date of transaction along with copies of contract notes and details of allotment received against application for public and rights issues within 7 calendar days from the date of receipt of the allotment advice in **Form D**;
 - b. statement of holding in securities as on March 31, June 30, September 30 and December 31 every year within 10 calendar days from the end of the respective calendar quarters along with a copy of demat account statement for that quarter received from the Depository Participant (DP) as well as from the SEBI Registered Portfolio Manager, in the event the Designated Employee has availed the discretionary/non-discretionary services of SEBI Registered Portfolio Manager. Designated Employees may submit a declaration to the Compliance Officer in the event that she/he is unable to submit the statement of holding from his/her DP or SEBI Registered Portfolio Manager within the above prescribed period giving reasons for such delay;
 - c. detailed statement of transactions in securities at end of every month in **Form E** and at the end of each quarter and half yearly in **Form F**.

25. MAINTENANCE OF DISCLOSURE RECORDS:

- 25.1 The Compliance Officer shall maintain records of all documents/disclosures made to the Company under this Code for a minimum period of five (5) years.

26. DIGITAL DATABASE:

- 26.1 The Company shall maintain digital database with time stamping and audit trails to ensure non-tampering of the data base containing name and PAN of the person/entity(ies) with whom UPSI is shared pursuant to Legitimate Purposes.

26.2 Further, the Company shall put in place mechanisms for maintaining necessary and regular back-ups of this database to ensure that the database is updated from time to time. The Company shall designate the head of the IT department of the Company as the person responsible for the database for the purposes of these Regulations. This digital database shall be secured and such computer files shall have adequate security login and password protection.

26.3 The information stored in the digital database shall be maintained and preserved by Equitymaster for a minimum period of 8 years and in the event of any suspected investigation or upon receipt of any information from SEBI *re* any investigation or enforcement proceedings then till the completion of such investigation or proceedings.

27. DOCUMENTS TO BE SHARED BY DESIGNATED EMPLOYEES:

27.1 Designated Employees shall be required to disclose names and PAN or any other identifier authorized by law, of the following persons, to the Company in **Form G**, at the time of adoption of the Code, on an annual basis and as when the information changes:

- a. Immediate Relatives and Controlled Accounts;
- b. Person with whom such designated person(s) share a material financial relationship;
- c. Phone, mobile and cell number which are used by them; and
- d. In addition, the name of educational institutions from which Designated Employees have graduated and names of their past employers shall also be disclosed on a one time basis.

28. INTERNAL CONTROL SYSTEM:

28.1 The CEO of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in this Code and PIT Regulations to prevent insider trading.

a. Process for how and when people are brought 'inside' on sensitive transactions:

The CEO of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company for legitimate purpose which shall include the following;

- (i) in the ordinary course of business;
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s);
- (iv) for any other genuine or reasonable purpose;

29. MECHANISM ON INTERNAL CONTROL:

29.1 For ensuring adequate and effective system of internal controls in line with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and amendments thereto the following procedure shall be followed:

a. Sharing of information pursuant to Legitimate Purpose:

- i. Any person in receipt of UPSI pursuant to legitimate purpose shall be considered Insider for the purpose of the Code.
- ii. Advance Notice shall be served on such person by way of email/ letter to maintain confidentiality while in possession of such UPSI.
- iii. Such person has to ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and the Code.

b. Limited Access to Confidential Information:

- i. Files containing confidential information shall be kept fully secured. Computer files must have adequate security of login and password etc.

c. Non-Disclosure Agreement:

The companies shall execute Non-Disclosure Agreement with:

- i. Entities with which Equitymaster has shared any UPSI which as on the date of adoption of this Code is not available in public domain; and
- ii. Entities which whom the company intends to share any UPSI.

30. REVIEW BY THE BOARD OF DIRECTORS:

30.1 The Board of the Company shall review the compliance of the Code in their periodical meetings. They may review the existing procedures and recommend changes in procedures based on the Company's experience, industry practices or developments in applicable laws and regulations.

31. SEBI REGULATIONS/STATUTORY PROVISIONS TO PREVAIL:

31.1 Please note that in case the SEBI regulation or any statutory provisions are more stringent than those contained in the code, the SEBI regulations/ statutory provisions will prevail.

32. DISCLAIMER:

32.1 This Code is only internal code of conduct and one of the measures to avoid insider trading. Every insider is required to familiarize himself with the PIT Regulations as it will be the responsibility of each Insider to ensure compliance of this code, PIT Regulations and other related statutes fully.

33. PENALTY FOR CONTRAVENTION OF THE CODE:

- 33.1 Every Designated Employee shall be individually responsible for complying with the applicable provisions of this Code (including to the extent the provisions hereof are applicable to their immediate relatives).
- 33.2 The persons who violate this Code shall, in addition to any other penal action that may be taken by Equitymaster, also be subject to disciplinary action which in respect of a Designated Employee may include wage freeze, suspension or termination of employment, recovery, clawback, etc. Any amount collected from the Designated Employee for violation of the Code shall be remitted to SEBI for credit to the Investor Protection and Education Fund.
- 33.3 Action taken by the Company for violation of the Code against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations. Under Section 15G of the Act, any insider who indulges in insider trading in contravention of Regulation 3 and 4 of the Regulations is liable to a penalty of not be less than ten lakh rupees but which may extend to Rs.25 crores or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the Act, anyone who contravenes PIT Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to INR 25 Crore or with both.
- 33.4 In case it is observed by the Compliance Officer that there has been a violation of the Code by any person, he/she shall forthwith inform the Board of Directors of the Company about the violation. The penal action will be initiated on obtaining suitable directions from the Board of Directors
- 33.5 In case there is a violation of SEBI (Prevention of Insider Trading) Regulations, the Compliance Officer shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by SEBI from time to time.