

**Crosseas Capital Services Pvt. Ltd.**

**"CODE OF CONDUCT OF PREVENTION OF INSIDER TRADING"**

Policy Made on 10<sup>th</sup> April, 2011

Last Reviewed on 16th October, 2023

**In pursuance of Regulation 12(1) of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992**

**1. Introduction & Objectives:**

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in securities and to regulate the securities market has formulated the SEBI (Insider Trading) Regulations, 1992. These regulations came into force on 19<sup>th</sup> November 1992 and seek to govern the conduct of the person(s), defined as 'Insider', in respect of securities of a company listed on any stock exchange. Further the regulations under the meaning of "Deemed to be Connected Person" covers Broker, Portfolio Manager, Investment Advisor because of which the company is required to comply with the above mentioned regulations.

- a. The objective of the Regulations is to prevent insider trading in securities by prohibiting dealing, communicating or counseling on matters relating to insider trading.
- b. It further provides that no insider shall -
  - i. either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information, or
  - ii. Communicate, counsel or procure, directly or indirectly, unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities.

Provided that above restriction shall not be applicable to any communication required in the ordinary course of business or under any law.

- c. It also provides that no company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.



## 2. The Policy and Obligations:

Crosseas Capital Services Pvt. Ltd. (hereinafter referred to as "\_CCSPL") undertakes to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse of such information. CCSPL is committed to transparency and fairness in dealing in securities and to ensuring adherence to all the laws and regulations.

Every director, officer & designated employee of CCSPL has a duty to safeguard the confidentiality of all information obtained in the course of his or her duties at the company. No director, officer or employee may use his or her position or knowledge of any unpublished price sensitive information to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, CCSPL hereby notifies this 'Code of Conduct for Prevention of Insider Trading' framed pursuant to the Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992. This Code of Conduct may be modified by the Board of Directors of CCSPL from time to time and is to be followed by all the directors, officers and designated employees of CCSPL.

## 3. Definitions

'Insider' means any person who is or was a 'Connected Person' or a 'Deemed to be Connected Person' and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or who has received or has had access to such unpublished price sensitive information;

'Connected Person' means any person who -

- (i) is a director of a company, or is deemed to be a director of that company; or
- (ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company (whether temporary or permanent) and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company;

[Explanation: For the purpose of above definition, the words 'connected person' shall mean any person who is a connected person six months prior to an act of insider trading;]

'Deemed to be Connected Person': A person is deemed to be a connected person if such person -

- (i) Is a company under the same management or group, or any subsidiary company thereof;
- (ii) Is an intermediary as specified in section 12 of the Act, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation;



- (iii) Is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the 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 who has a fiduciary relationship with a company;
- (iv) Is a Member of the Board of Directors, or an employee, of a public financial institution as defined in section 4A of the Companies Act, 1956;
- (v) Is an official or an employee of a Self-regulatory Organization recognized or authorized by the Board of a regulatory body;
- (vi) Is a relative of any of the aforementioned persons;
- (vii) Is a banker of a company;
- (viii) Relatives of the connected person; or
- (ix) Is a concern, firm, trust, Hindu undivided family, company or association of persons wherein any of the connected persons or any of the persons mentioned in sub-clause (vi), (vii) or (viii) of Regulation 2(h) of the SEBI (Insider Trading) Regulations, 1992 have more than 10 per cent of the holding or interest;

'Company' means Crosseas Capital Services Pvt. Ltd. [i.e., CCSPL];

'Compliance Officer' means a person designated as Compliance Officer and whose details are intimated to SEBI, BSE & NSE.

'Dealing in Securities' means subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities either as principal or agent and includes exercising of options;

'Designated Employees' shall include the following:

- All Whole-time Directors of the Company;
- Chief Executive Officer of the Company;
- All other employees of the Company working at all locations.

'Price Sensitive Information' means any information, which relates directly or indirectly to a company and which if published, is likely to materially affect the price of securities of company.

'Public Areas' are areas / departments in the organization which routinely do not have access to any confidential or price sensitive information and include the following:

- Accounts and Finance Department.
- Administration Department.
- Back Office including EDP Department.
- Information Technology & Networking Department.



- Marketing Department.
- Settlement Department.
- Legal and Compliance Department.
- Human Resource Department.

'Inside Areas' are the areas / departments in the organization which may routinely have access to confidential or price sensitive information and include the following:

- Dealing Department
- Surveillance and Risk Management Department
- Research Department

'Relative': A person shall be deemed to be a relative of another if, and only if:

- (a) they are members of a Hindu undivided family; or
- (b) they are husband and wife; or
- (c) the one is related to the other in the manner indicated in Schedule IA of the Companies Act, 1956

[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. Appointment of Compliance Officer & his Duties**

- a. The Company shall appoint a Compliance Officer who shall be a senior level employee reporting to the Chief Operating Officer (COO) / Director of the Company.
- b. 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" and the implementation of this code of conduct under the overall supervision of the COO/Director.
- c. The Compliance Officer shall assist all the directors and employees in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and this code of conduct.
- d. The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- e. The Compliance Officer shall proactively look after the compliances as specified under SEBI (Prohibition of Insider Trading) Regulations, 1992 and various circulars issued by SEBI and Stock Exchanges.



- f. In case of any deviation from this Code of Conduct, Compliance Officer shall keep the Board of Directors or such other person(s) authorized by the Board of Directors informed about the same.

#### **5. Preservation of "Price Sensitive Information"**

- a. All directors, officers and designated employees of the Company shall maintain the confidentiality of all Price Sensitive Information. They must not pass on such information directly or indirectly to anyone unless it is required in the ordinary course of business or under any law.
- b. Price Sensitive Information should be handled on a "need to know" basis, *i.e.*, Price Sensitive Information 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.
- c. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.
- d. To prevent the misuse of confidential information, there should be a "Chinese Wall" policy in the Company which separates those areas of the organization which routinely have access to confidential information, considered "inside areas" from those areas which are considered as "public areas". The employees in the inside area shall not communicate any Price Sensitive Information to any one in public area. The employees in inside area should be physically segregated from employees in public area. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer. For the purposes of this code of conduct, the areas / departments identified as inside area or public area are mentioned under 'Definitions'.

#### **6. Prevention of Misuse of Price Sensitive Information**

Designated employees/officers of the Company shall not use Price Sensitive Information to buy or sell any security, whether on their own account, on account of their dependent relative and firms/HUF/trusts/companies wherein the designated employee/officer or his/her dependent relative(s) have controlling interest, on Company's account or any client's account. The following restrictions shall apply for trading in securities:

- a. Pre-clearance of Trades: All designated employees/officers of the Company who intend to deal in any security of a client company or any security falling under the 'Restricted/Grey List' shall pre-clear the transactions.



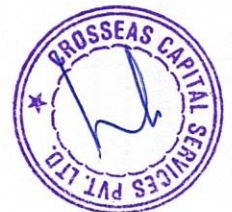
- b. An undertaking shall be executed in favour of the Company by such designated employee/officer incorporating, inter-alia, the following clauses, as may be applicable:
- i. That the designated employee/officer does not have any access or has not received any "Price Sensitive Information" up to the time of signing the undertaking.
  - ii. That in case the designated employee/officer has access to or receives "Price Sensitive Information" 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 securities of the client company till the time such information becomes public.
  - iii. That he/she has not contravened the code of conduct for prevention of insider trading as specified by the Company from time to time.
  - iv. That he/she has made a full and true disclosure in the matter.

### **7. Restricted/Grey List of Securities**

- a. The Company shall restrict trading in certain securities and designate such list as restricted/grey list.
- b. Security of a listed company shall be put on the restricted/grey list if the Company is handling any assignment for the listed company or is preparing appraisal report or is handling credit rating assignment and is privy to Price Sensitive Information.
- c. As the restricted list it is highly confidential information it shall not be communicated directly or indirectly to anyone outside the Company. The Restricted/Grey List shall be maintained by the Compliance Department on a day-to-day basis. The restricted list shall be notified to the Compliance Department by the Institutional Equities, Private Clients Services Group, HNI Services Group and Research Department on a daily basis.
- d. Trading in any security, which appears in the Restricted List, by any designated employee/officer will be subject to the provisions of SEBI/Exchanges.

### **8. Other Restrictions**

- a. All designated employees/officers shall execute their order within one week after the approval of pre-clearance is given. If the order is not executed within one week after approval is given, the designated employee/officer must pre-clear the transaction again.
- b. All designated employees/officers shall hold securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The 30 day holding period shall not apply to purchases in the primary market (IPOs), Rights Issues and Bonus Issues, except when any of the CCSPL group or affiliate company is involved as merchant banker or underwriter.



- c. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing the reasons thereof.
- d. Analysts, while preparing research reports of a client company(s), shall disclose their shareholdings/interest in such company(s) to the Compliance Officer.
- e. Analysts, who prepare research report of a listed company, shall not trade in securities of that company during the period of research and further for thirty days from the preparation of such report.

#### **9. Violation of the Code of Conduct for Prevention of Insider Trading**

- a. In case of any observation regarding violation of code of conduct by any director/officer/designated employee, the same shall be immediately brought to the notice of Compliance Officer.
- b. Any director/officer/designated employee of the Company who violates the Code of Conduct for Prevention of Insider Trading may be subject to disciplinary action by the company, which may include warning, salary freeze, suspension or dismissal.
- c. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

**Crosseas Capital Services Pvt. Ltd. (hereinafter referred to as "\_CCSPL")**

#### **10. Review of policy:**

There shall be review of policy, its implementation, effectiveness annually or as and when warranted by any change in the provisions of regulations by the regulator, whichever is earlier.

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