



**POLICY AND PROCEDURES FOR INQUIRY IN CASE OF
LEAK OF UNPUBLISHED PRICE SENSITIVE
INFORMATION**

(Under Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015)

KFin Technologies Limited

SIGNATORIES

Version	Prepared by	Reviewed by	Confirmed by	Approved by
1.0	Ms. Alpana Kundu, Company Secretary	Mr. Vivek Mathur, Chief Financial Officer	Audit Committee	Board of Directors
2.0	Mr. Anshul Kumar Jain, Chief Compliance Officer and Head - Legal	Mr. Vivek Narayan Mathur, Chief Financial Officer	Audit Committee	Board of Directors

VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	June 24, 2021	Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information	New Policy
2.0	March 24, 2022	Policy and procedures for inquiry in case of Unpublished Price Sensitive Information	Updated Policy

1. Introduction.

- 1.1 The Securities and Exchange Board of India (the “**SEBI**”) is a body established under the Securities and Exchange Board of India Act, 1992, as amended (the “**SEBI Act**”) to regulate the securities market in India. Sections 12A (d) and (e) of the SEBI Act prohibits persons from directly or indirectly engaging in insider trading or dealing in securities while in possession of material or non-public information, or communicating such material or non-public information to any person, in any manner which is in contravention of the SEBI Act or the regulations made thereunder.
- 1.2 Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (“**Insider Trading Regulations**”) mandates every company with listed securities to formulate a written policy and procedures for inquiry in case of Leak (*defined below*) of Unpublished Price Sensitive Information (“**UPSI**”) and initiate appropriate inquiries on becoming aware of such Leak. Accordingly KFin Technologies Limited (“**Company**”) is required to formulate this policy (“**Policy**”).
- 1.3 If any provision in this Policy is inconsistent with any provision of the Insider Trading Regulations, or any other applicable law, the latter shall prevail.

2. Objectives.

- To strengthen the internal control system to prevent the Leak of UPSI.
- To restrict and prohibit unauthorized access to UPSI originating from within the Company.
- To have a uniform code to curb the unauthorized sharing of UPSI.
- To have a mechanism to initiate inquiries in case of Leak (or Suspected Leak (*defined below*) of UPSI and promptly take all actions as may be necessary under the Insider Trading Regulations.

3. Effective date.

This Policy is effective from March 24, 2022.

4. Definitions.

- 4.1. “**Audit Committee**” means the audit committee constituted by the Board of Directors of the Company, in accordance with Section 177 of the Companies Act, 2013 & Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).
- 4.2. “**Board of Directors**” or “**Board**” means the Board of Directors of the Company as constituted from time to time.
- 4.3. “**Compliance Officer**” means any senior officer, designated so, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Insider Trading Regulations, and reports to the Board of Directors. The Compliance Officer shall be responsible for compliance with the Insider Trading Regulations, the policies, procedures, maintenance of records, monitoring of Trades and adherence to the rules for the preservation of UPSI, and the implementation of this Policy, under the overall supervision

of the Board of Directors.

4.4. **“Connected Persons”** means

- a) any person who is, or has, during the six months prior to the concerned act been associated with a company, directly or indirectly. Such association may be in any capacity including (i) frequent communication with its officers, (ii) any contractual, fiduciary or employment relationship, (iii) director, officer or an employee of the Company, (iv) holding any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows him/her, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
- b) the term „**Connected Person**“ shall be deemed to include the following, unless the contrary is established:
 - i. „Immediate Relatives“ of the Connected Person;
 - ii. a holding company or associate company or subsidiary company;
 - iii. an Intermediary or any of their employees or directors;
 - iv. investment company, trustee company, Asset Management Company (“AMC”) or its employees or directors;
 - v. an official of a stock exchange or of clearing house or corporation;
 - vi. a member of the, (i) board of trustees of a mutual fund, (ii) board of directors of an AMC of a mutual fund, or (iii) an employee of a mutual fund;
 - vii. a member of the board of directors or an employee, of a public financial institution as defined under the Companies Act, 2013;
 - viii. an official or an employee of a self-regulatory organization recognized by SEBI;
 - ix. a banker of the Company; and
 - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a Company or his Immediate Relative or banker of the Company, has more than 10% of the holding or interest.

4.5. **“Designated Persons”** has the meaning ascribed to the term in: (a) the Company’s “code of conduct as a company with listed securities to regulate, monitor and report trading by designated persons” and the Company’s “code of conduct as intermediaries and fiduciaries to regulate, monitor and report trading by designated persons”.

4.6. **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis. Information published on the website of a stock exchange would ordinarily be considered to be Generally Available Information.

4.7. **“Inquiry Committee”** means the committee set up in terms hereof to conduct inquiry against any case of Leak or Suspected Leak of UPSI.

4.8. **“Insider”** means any person who is:

- i) a Connected Person; or
- ii) in possession of or having access to Unpublished Price Sensitive Information.

4.9. **“Immediate Relative”** means their spouse, and includes parents, siblings, and children 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.

4.10. **“Securities”** shall have the meaning assigned to it under the Securities Contracts

(Regulation) Act, 1956, except units of a mutual fund.

- 4.11. **“Leak of UPSI”** (**“Suspected Leak”** shall be construed accordingly) means communication of information which is, or is deemed to be UPSI, by any person, who is in possession of such UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.
- 4.12. **“Suspect”** means the person or persons against or in relation to whom an inquiry is initiated in case of Leak (or Suspected Leak) of UPSI.
- 4.13. **“Trading in Securities”** means and includes subscribing to, buying, selling, dealing or agreeing to subscribe to, buy, sell or deal in any Securities, and **“Trade”** shall be construed accordingly.
- 4.14. **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information, relating to Securities, that is not Generally Available Information, which upon becoming Generally Available Information, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:
- a) financial results;
 - b) dividends;
 - c) change in capital structure;
 - d) mergers, de-mergers, amalgamation, acquisitions, de-listing of Securities, scheme of arrangement or takeover, disposals, spin offs, sale of division(s)/ sale of undertaking (either in whole, substantial or in part), expansion of business and such other transactions;
 - e) any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company; or
 - f) changes in key managerial personnel.

5. Interpretation. 5.1 Any reference in this Policy to:

- a) Any gender, whether masculine, feminine or neuter, shall be deemed to be construed as referring to the other gender or genders, as the case may be;
- b) Singular number shall be construed as referring to the plural number and vice versa; and
- c) Month shall mean to be a calendar month.

5.2 Reference to statutory/ regulatory provisions shall be construed as meaning and including references also to any amendment or re-enactment thereof for the time being in force.

5.3 This Policy is intended to be in conformity with the Insider Trading Regulations as on the date of its adoption. However, if due to subsequent modifications in the Insider Trading Regulations or any other applicable law, a provision of the Policy or any part thereof becomes inconsistent with the Insider Trading Regulations, the provisions of the Insider Trading Regulations as modified shall prevail.

5.4 Words and phrases used in the Policy and not defined in this Policy shall have the same meaning as assigned to them under the Insider Trading Regulations, the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013; and rules and regulations made thereunder, as amended or re-enacted from time to time

6 Procedure for inquiry in case of Leak or Suspected Leak of UPSI.

6.1 Source of information relating to Leak of UPSI

The chairman of the Audit Committee may: on becoming aware *suo moto*; or on becoming aware of any Leak or Suspected Leak of UPSI detected through the internal controls implemented by the Company: or on receipt of a written intimation of Leak or Suspected Leak of UPSI by a Suspect, an Insider, employee or Designated Person (including their Immediate Relative); or on being made aware by the Compliance Officer or by a whistleblower in terms of the whistle blower policy of the Company or by an external source such as SEBI, the stock exchanges, the „Registrar and Share Transfer Agent“, „Depository“, „Regional Director“, „Registrar of Companies“, any other regulatory / statutory authority or any other department of Central or State Government, shall follow the below-mentioned procedure for inquiry and/ or investigation of the matter:

6.2 Preliminary Inquiry

The object of a preliminary inquiry is (a) fact-finding, (b) to ascertain the veracity of the allegations, (c) to collect necessary material in support of the allegations, and (d) thereafter, to decide whether there is justification to initiate further investigation/ inquiry. The chairman of the Audit Committee shall forthwith forward such intimation to the Chief Executive Officer (“CEO”) and/ or Chief Financial Officer (“CFO”), to conduct a preliminary inquiry headed by the Compliance Officer. The said inquiry shall be completed within 2 working days from the date of receipt of such intimation, and report thereof shall be circulated to the Chairman of the Audit Committee/ CEO/ CFO, and the Compliance Officer.

6.3 Intimation of Leak or suspected Leak of UPSI

If, in the opinion of the chairman of the Audit Committee/ CEO/ CFO, and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to:

- 6.3.1 the Board of Directors of the Company; and
- 6.3.2 the Inquiry Committee for a detailed investigation.

The Compliance Officer shall simultaneously intimate the SEBI and/or the stock exchanges about such Leak or suspected Leak of UPSI.

6.4 Inquiry Committee

The Inquiry Committee shall consist of the following persons, or any person nominated by such officers from their department:

- 6.4.1 CFO;
- 6.4.2 Head-Legal and Compliance;
- 6.4.3 Head of Information Security;
- 6.4.4 Head of Human Resources;
- 6.4.5 Any other person nominated by CEO/ Managing Director.

If any member of the Inquiry Committee has a conflict of interest in any given case, then he/ she should recuse himself/ herself and other members of the Inquiry Committee shall proceed with the inquiry in such member’s absence.

6.5 Investigation by Inquiry Committee

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the

Inquiry Committee is required to initiate a detailed investigation. The said investigation shall be completed within 15 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report, including its recommendation of any disciplinary or other actions as may be necessary, shall be submitted to the Audit Committee, and a summary report shall be submitted to the Company's Board immediately, and also simultaneously to the SEBI.

6.6 Powers of inquiry committee

For purposes of conducting inquiry, the Inquiry Committee may:

6.6.1 call upon

- 6.6.1.1 such Suspect to seek clarification(s) or information pertaining to the alleged Leak of UPSI or Suspected Leak;
- 6.6.1.2 persons/ members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures;
- 6.6.1.3 persons involved in the consolidation of the figures for the financial results;
- 6.6.1.4 persons involved in the preparation of notes for the Board and presentations;
- 6.6.1.5 persons in charge/ involved in dissemination of the relevant information in the public domain; and
- 6.6.1.6 any market intermediaries, fiduciaries and any other person / entities who have/ may have had access to the UPSI allegedly, or suspected to be, leaked.

6.6.2 at its discretion, invite external investigators/ experts;

6.6.3 take necessary actions (including sending the Suspect on leave, restricting physical access to the office premise, freezing access to systems, electronic devices, emails, etc.), during the pendency of the investigations, to ensure fair conduct of the proceedings;

6.6.4 keep the identity of the Suspect confidential till the completion of inquiry, unless it is essential to disclose the name for the purpose of investigation;

6.6.5 notify the Suspect of the allegations at the outset of internal investigation and provide him an opportunity to represent his case and submit evidence; and

6.6.6 do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

6.7 Rights and obligations of the Suspect

6.7.1 The Suspect shall:

- 6.7.1.1 co-operate with the Inquiry Committee during the investigation process;
- 6.7.1.2 have the right to consult with a person or persons of his/ her choice, other than members of the Inquiry Committee; and
- 6.7.1.3 have the right to be informed of the outcome of the investigation.

6.7.2 The Suspect(s) shall not interfere with the investigation. Evidence shall not be withheld,

destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.

6.7.3 Unless there are compelling reasons not to do so, Suspects will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is evidence in support of the allegation.

6.8 Consequences of non-compliance with the policy

6.8.1 On receipt of the report of the Inquiry Committee, the Compliance Officer shall forthwith forward such report to the Audit Committee.

6.8.2 In case of finding of any wrongdoing/ non-compliance with the Policy, any disciplinary action against the Suspect(s) may be taken within 15 working days from receipt of investigation report by the Audit Committee, in consultation with the Board of Directors or any other person authorised by the Board.

6.8.3 The disciplinary action may include wage freeze, suspension, recovery, clawback, confiscation of device(s), ineligibility for future participation in the Company's stock option plans, or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.

6.8.4 A penalty of up to INR 1,00,000 (which excludes fines that may be levied by SEBI, for violation of applicable laws/ regulations), may be levied by the Company at its discretion, for each violation of the Policy.

6.8.5 Any disciplinary action by the Company does not preclude the SEBI or any other regulatory authority, or any court, from initiating action against such Suspect(s), in the event of violation of the Insider Trading Regulations, and/ or this Policy. In case it is observed that there has been a violation of this Policy, the Company shall promptly inform SEBI and/or the stock exchanges.

7 Duties of the Compliance Officer

- a) Oversee the compliance with the Policy.
- b) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected Leak of UPSI to the Inquiry Committee.
- c) Report any incidents of Leak of UPSI to the SEBI, and/ or the stock exchanges as under paragraphs 6.3 and 6.8 above.

8 Documentation and Reporting

The Inquiry Committee shall prepare a detailed written report of investigation of each instance of Leak or Suspected Leak of UPSI. The report shall include:

- a) Facts of the matter;
- b) Findings of the investigation;
- c) Disciplinary/other action(s) to be taken against any person; and
- d) Any corrective actions required to be taken.

The details of the inquiries made in these cases and results of such inquiries shall be informed to the Audit Committee and the Board of Directors of the Company. Further, the Company shall inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

9 Report of actual or Suspected Leak of UPSI to SEBI

The Compliance Officer shall ensure that on becoming aware of actual or Suspected Leak of UPSI of the Company, the report on such actual or Suspect Leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in “**Annexure A**” to this Policy.

10 Review and changes

The Audit Committee shall review compliance with the provisions of the Insider Trading Regulations at least once in a financial year and shall verify that the systems for internal controls are adequate and are operating effectively. This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the stock exchanges, if required under applicable law including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

ANNEXURE - A

Format for Reporting Actual or Suspected leak of UPSI to the SEBI Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015

To,

The Securities and Exchange Board of India

Plot No. C 4-A, G Block, Near Bank of India, Bandra Kurla Complex,

Bandra East, Mumbai – 400 051, Maharashtra

Dear Madam/Sir,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015.

Pursuant to Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI), as follows:

Name of Suspect, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or any other)	
Nature of Information	
Whether any action initiated by the Company. If yes, narration of the same	Yes/No
Decision of the Inquiry Committee	
Disciplinary Action Taken by the Company	
Any other relevant information	

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully,

For **Kfin Technologies Private Limited**

Compliance Officer