

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UNPUBLISHED PRICE SENSITIVE INFORMATION**

OF

KFIN TECHNOLOGIES PRIVATE LIMITED

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

SIGNATORIES

Prepared by	Reviewed by	Confirmed by	Approved by
Ms. Alpana Kundu	Mr. Vivek Mathur	Audit Committee	Board of Directors
Company Secretary	Chief Financial Officer		

VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	24 th June 2021	Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information	New Policy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every company with listed securities to formulate a written policy and procedures for inquiry in case of Leak of Unpublished Price Sensitive Information (“UPSI”) and initiate appropriate inquiries on becoming aware of such Leak. Accordingly KFin Technologies Private Limited (“Company”) is required to formulate this policy.

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 by Insiders, employees & Designated Persons.
- To have a mechanism to initiate inquiries in case of Leak (or Suspected Leak) of UPSI, and promptly take all actions as may be necessary under the SEBI Regulations.

3. Effective date.

This Policy has been approved and adopted by the Board of Directors of the Company and shall be effective from 24th June 2021.

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 such person as defined in the Policy for Prevention of Insider Trading of the Company.

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 (a) frequent communication with its officers, (b) any contractual, fiduciary or employment relationship, (c) director, officer or an employee of the company, (d) holding any position including a professional or business relationship between himself and the company, that allows him/her, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access. The term '**Connected Person**' also includes the following:

- i. 'Immediate Relatives' of the Connected Person (including the below mentioned persons);
- ii. a holding company or associate company or subsidiary company;
- iii. an 'Intermediary' which means as specified in section 12 of the SEBI Act or an employee or director thereof;
- iv. Investment Company, Trustee Company, Asset Management Company (AMC) and includes, (i) their employees or directors, and (ii) an official of stock exchange, (iii) an official of the clearing house, and (iv) an official of a corporation;
- v. a Member of the, (i) Board of Trustees of a Mutual Fund, (ii) Board of Directors of AMC of a Mutual Fund (including their employees)
- vi. a member of the board of directors or an employee, of a public financial institution as defined under the Companies Act, 2013;
- vii. an official or an employee of a Self-regulatory Organization recognized by SEBI;
- viii. a 'Banker' of the Company; and
- ix. 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**" shall mean:

- a) All the directors on the Board of the Company for the time being and executive directors of the Company's subsidiaries.
- b) All executive officers (including chief executive officers, chief financial officers, chief operational officers) and all employees up to 2 (two) levels below such executives in the hierarchy in the organisation of the Company.
- c) The promoters of the Company.
- d) All the employees of the Company and all the employees of its subsidiaries.
- e) Every employee and support staff in the finance, accounts, secretarial, legal human resources, administration, professional support, company secretarial and information technology departments (or any other nomenclature changed from time to time) as may be determined and informed by the Compliance Officer.
- f) Every department head.
- g) Such other person or persons as the Compliance Officer may in consultation with the Board of the Company shall specify to be covered by this Policy.
- h) Immediate Relatives of all of the above.

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

4.7. "**Insider**" means any person who is:

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

- 4.8. **“Immediate Relative”** in respect of a natural person means their spouse or parent or sibling or child/children of such person or child/children 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.
- 4.9. **“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.
- 4.10. **“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.
- 4.11. **“Unpublished Price Sensitive Information”** or **“UPSI”** 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:
- a) Financial results;
 - b) Dividends;
 - c) Change in capital structure;
 - d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and
 - e) Changes in key managerial personnel.
- 4.12. Words and expressions used and not defined in this Code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the 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 the Rules and Regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

5. **Procedure for inquiry in case of Leak or Suspected Leak of UPSI.**

5.1. Source of information relating to Leak of UPSI

- 5.2. The Chairman of the Audit Committee may, on becoming aware *suo moto*, or on receipt of a written intimation of Leak or Suspected Leak of UPSI from a Suspect(s) or any other person including employees of the Company or the regulator, shall follow the below-mentioned procedure for inquiry and/ or investigation of the matter:

5.3. 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 CEO and/ or 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.

5.4. 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:

- a) the Board of Directors of the Company; and
- b) 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.

5.5. Inquiry Committee

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

- a) Chief Financial Officer;
- b) Head -Legal and Compliance;
- c) Head of Information Security;
- d) Head of Human Resources;
- e) Any other person nominated by Chief Executive Officer/ 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.

5.6. 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.

5.7. Powers of inquiry committee

For purposes of conducting inquiry, the Inquiry Committee may:

- a) call upon
 - i. such employees/ individuals to seek clarification(s) or information pertaining to the alleged Leak of UPSI;
 - ii. persons/ members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures;
 - iii. persons involved in the consolidation of the figures for the financial results;

- iv. persons involved in the preparation of Board notes and presentations;
 - v. persons in charge/ involved in dissemination of the relevant information in the public domain;
 - vi. any market intermediaries, fiduciaries and any other person / entities who have / may have had access to the allegedly Leaked UPSI.
- b) at its discretion, invite external investigators/ experts;
 - c) 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;
 - d) 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;
 - e) 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
 - f) do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

5.8. Rights and obligations of the Suspect

- a) The Suspect shall:
 - i. co-operate with the Inquiry Committee during the investigation process;
 - ii. have the right to consult with a person or persons of his/ her choice, other than members of the Inquiry Committee;
 - iii. have the right to be informed of the outcome of the investigation.
- b) 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.
- c) 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.

5.9. Consequences of non-compliance with the policy

- a) On receipt of the report of the Inquiry Committee, the Compliance Officer shall forthwith forward such report to the Audit Committee.
- b) 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.

- c) 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.
- d) 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.
- e) 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 inform the SEBI promptly.

6. 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 paragraph 5.4 above.

7. 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.

8. 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 Suspected 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 Code.

9. Review and changes

The Board of Directors of the Company, subject to applicable laws for the time being in force shall take precedence over this Policy. This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under 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) of the Company, 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
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