

# **Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons**

<b>Subject Matter</b>	<b>Approved by</b>
<b>Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons</b>	<b>Board of Directors at its Meeting held on March 27, 2019</b>

**Re: Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons**

1. The Board of Directors at the Meeting held on March 27, 2019, approved the Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons.
2. The Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons is effective w.e.f. April 01, 2019.
3. All the concerned officers of the Company are requested to take note of it.
4. The Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons is enclosed herewith as Annexure.

Sd/-  
(Sarthak Vijlani)  
Managing Director

**Encl.: Annexure**

## **I. Preface:-**

1. This Code is framed under the SEBI (Prohibition of Insider Trading) Regulation, 2015.
2. This Policy shall become effective from April 1, 2019 and as amended from time to time.

## **II. Definitions:**

All the Definitions shall be as per the “**Code of Conduct to Regulate, Monitor and Report Trading by Designated Person**”.

**“Client Company and Companies where Navigant Corporate Advisors Limited (“Navigant”) is in Fiduciary Relationship”**

shall mean and include the following:

- a) Companies where Navigant renders / provides any advisory services;
- b) Companies where Navigant has provided any kind of loan and such loan is outstanding in the books of Navigant.
- c) Companies where Navigant has invested and such investment is outstanding in the books of Navigant.

## **III. Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

The Principles of Fair Disclosure of Unpublished Price Sensitive Information shall be as per the “**Code of Conduct to Regulate, Monitor and Report Trading by Designated Person**”.

## **IV. Regulating & Monitoring of the Trades to be executed by Designated Persons**

1. Designated Persons and Immediate Relatives of the Designated Persons in the Organisation shall be governed by this Code of Conduct governing dealing in Securities of the client companies of Navigant or companies where Navigant is in fiduciary relationship.
2. Designated Persons or their immediate relatives may execute trades in Securities subject to compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. The Compliance Officer shall confidentially maintain a list of such companies which qualifies to be client companies of Navigant or Companies where Navigant is in fiduciary relationship.

**V. Execution of Trade by Designated Persons**

1. Trading by Designated Persons shall be subject to the pre-clearance by the Compliance Officer, if the value of the proposed transaction or series of transactions over a calendar quarter in the client companies or companies where Navigant is in fiduciary relationship aggregates to a traded value of **₹10 Lakh or above**. The Form for applying for pre-clearance of trade is enclosed at **Annexure – I**. No trade shall be executed by the Designated Person when in possession of any Unpublished Price Sensitive Information relating to the Client Companies or its securities.
2. Prior to granting of pre-clearance of trade to the Designated Person, the Compliance Officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information relating to such client company or company where Navigant is in fiduciary relationship. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. Once the trade is executed, the Designated Person shall report such execution of Trade to the Compliance Officer in the format enclosed at **Annexure – II**.
3. The window for executing the trade by Designated Person pursuant to having obtained the pre-clearance shall be **7 trading days**. In case the trade is not executed within 7 trading days, the pre-clearance shall elapse and the Designated Person will have to obtain fresh pre-clearance for executing such trade. In case the Designated Person has not executed the proposed trade after obtaining of pre-clearance shall report the same to the Compliance Officer in the format enclosed at **Annexure – III**.
4. Once a trade is executed by the Designated Person, he/she shall not be allowed to execute any contra-trade for a period of not less than 6 months. In case such contra-trade is executed inadvertently or otherwise, in violation of the restriction, the profits from such trade shall be liable to be disgorged for remittance to The Securities and Exchange Board of India for credit to the Investor Protection and Education Fund administered by SEBI. However, the restriction for contra-trade shall not be applicable for trades pursuant to the exercise of Stock Options
5. In case the Designated Person has to enter into a contra-trade within a period of 6 months of the execution of the initial trade, an application seeking relaxation shall be made to the Compliance Officer. The Compliance Officer on ensuring that the Designated Person is not in possession of any unpublished price sensitive information and that the proposed trade is not in contravention to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2018 may grant such permission.
6. The Compliance Officer may from time to time seek declaration of the Securities of the Company by the Designated Person and their immediate relatives.

## **VI. Disclosure by Designated Person**

The Designated Person is required to disclose Name and PAN or any other identifier authorised by Law of the following persons:

- (a) Immediate relatives;
- (b)** Persons with whom such designated person(s) shares a **material financial relationship**
- (c) Phone, Mobile and Cell Numbers which are used by them
- (d) Names of the Educational Institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

The term “**material financial relationship**” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of loan or gift from a Designated Person during the immediately preceding 12 months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on an arm's length transactions.

## **VII. Reporting on Trades by the Compliance Officer**

The Compliance Officer shall submit to the Board of Directors a Report on Monitoring and Execution of the Trades by the Designated Persons pursuant to this Code and as per the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, a consolidated Report shall also be provided to the Chairman of the Audit Committee on annual basis.

## **VIII. Chinese Wall and Crossing over the Chinese Wall**

To Prevent the misuse of confidential information, the company shall adopt a “Chinese Wall policy” which separate those areas of the company which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale/ marketing/ investment advice or other departments providing support services, considered “Public Areas”.

The employees in the inside area shall not communicate any price sensitive information to anyone in public area. The employees in inside area may be physically segregated from employees in public area. Demarcation of the various departments as inside areas may be implemented by the company.

However, in exceptional circumstances employees from the public areas may be brought “over the walls” and given confidential information on the basis of “need to Know” criteria, under intimation to the compliance officer.

In case any Designated Person has to cross over the wall and seek any information from the inside area, he / she shall apply for such access in writing providing reasons as to why such access is being sought.

The Approving Authority shall assess such request and after recording justifications in writing may grant such approval to the Designated Person to seek requisite information from the inside area.

In case the Designated Person is working at the rank of Executive Director, such approval has to be sought from MD&CEO. In any other case, the concerned Executive Director shall be the Competent Authority.

**IX. Penalties for Non-Compliance and Policy & Procedures for Inquiry in case of leak of Unpublished Price Sensitive Information:**

In the event of any non-compliance being observed under this Code, the same shall be disclosed to the Board of Directors and to the Securities and Exchange Board of India duly intimating the nature of violations. Also, in case it is observed that there is a violation of this Code, the same shall be promptly intimated to the Stock Exchange where the concerned securities are traded, in such form and manner as may be specified by SEBI from time to time.

In case of any non-compliance observed / reported under this Code, the same shall attract sanctions and disciplinary actions including wage freeze, suspension, recovery, claw back or any other penalty or punishment as may be deemed fit by the Board of Directors. Any amount collected shall be remitted to SEBI for credit to the Investor Protection & Education Fund. The penalties / punishment imposed by the Board of Directors under this Code shall be independent of the penalties / fines / punishment as may be imposed by the Securities and Exchange Board of India.

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## **ANNEXURE-I**

### **Application for Pre-Clearance of Trade in the securities of Client Companies and in case of Companies where Navigant is in Fiduciary Relationship**

To

The Compliance Officer

This is to state that I am intending to Trade(\*) in the following Securities of \_\_\_\_\_ (Name of the Company): **(Specify separately for Equity and Debentures / Bonds)**

1. \_\_\_\_\_ (Equity Shares)
2. \_\_\_\_\_ (Debentures / Bonds)

This is to confirm that my security holding in \_\_\_\_\_ (Name of the Company) as on date is as under: **(Specify separately for Equity and Debentures / Bonds)**

1. \_\_\_\_\_ (Equity Shares)
2. \_\_\_\_\_ (Debentures / Bonds)

**I hereby declare that:**

- a) I do not have any access or has not received “unpublished price sensitive information” of the Client Company or the Company where Navigant is in fiduciary relationship upto the time of making this application/declaration;
- b) I shall execute the per-cleared trades within **7 Trading Days** from the date of obtaining of the pre-clearance, failing which I shall obtain fresh pre-clearance to execute trades. I shall also report to the Compliance Officer in case I do not execute the pre-cleared trade within the stipulated period;
- c) In case I become aware of any UPSI before the execution of Trade pursuant to this application for pre-clearance, such Trade will not be executed.
- d) I shall not execute a Contra-Trade for a period of at least **6 (six) months** from the date of execution of the Trade;
- e) I shall immediately remit the profits earned from execution of contra trade executed inadvertently or in violation of restrictions imposed;
- f) I have not, at any time, contravened the code of conduct for prevention of insider trading as notified by the Company from time to time; and
- g) The disclosure made by me is full and true to the best of my knowledge and belief.

I hereby undertake to inform of any change in my position relating to access of unpublished price sensitive information with respect to the Client Company/ Company where Navigant is in fiduciary relationship, after signing this undertaking but before execution of the Trade and will refrain from dealing in the securities till the time such information becomes public.

**Name -**

**Designation -**

**Employee Code No -**

**Signature of the**

**Applicant - Date -**

\*Trading means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in securities and includes pledge of securities.

## **ANNEXURE-II**

**Name of the company:**

**ISIN of the company:**

**Details of change in holding of Securities of Client Companies / Companies where Navigant is in Fiduciary Relationship:**

Name, PAN, CIN/DIN and address with contact nos.	Category of Person (Promoters / KMP / Director s/immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/ public/ rights/ preferential offer / off market/ Inter-se transfer , ESOPs etc.)
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of share holding	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke / Invoke)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of share holding	From	To		

**Name –**  
**Signature –**  
**Date -**



### **ANNEXURE-III**

#### **Report on Non-Execution of Trade after obtaining Pre-Clearance of Trade in Securities of the Client Companies or Companies where Navigant is in Fiduciary Relationship.**

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To  
The Compliance Officer

**Subject: Non-Execution of Trade after obtaining Pre-Clearance of Trade**

This is in reference to the pre-clearance obtaining dated \_\_\_\_\_ for executing Trade in the following Securities of \_\_\_\_\_ (Name of the Company). ((*Specify separately for Equity and Debentures / Bonds*))

1. \_\_\_\_\_ (Equity Shares)
2. \_\_\_\_\_ (Debentures / Bonds)

In this regard, this is to confirm that the undersigned have not executed the approved trade for the following reasons:

1. \_\_\_\_\_
2. \_\_\_\_\_

This is to further confirm that in case, any future trade is proposed to be undertaken by the undersigned in the securities of the Client Company or the Company where Navigant is in fiduciary relationship crossing the threshold as prescribed in the "Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons" (Code), the undersigned shall obtain fresh pre-clearance from the Compliance Officer and that the trade will be executed in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and as per the Code.

**Name –**  
**Designation -**  
**Employee Code No -**  
**Signature of the Applicant -**  
**Date –**