



AVANSE FINANCIAL SERVICES LIMITED

**POLICY FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

Version Control

Version	Date of Adoption	Change reference	Approving Authority
1	January 25, 2016	Adoption of Policy	Board of Directors
2	November 11, 2022	To align the policy with the amendments made to PIT Regulations from time to time.	Board of Directors
3	June 13, 2024	To include procedure for inquiry in case of leak / suspected leak of UPSI and to amend the policy to include Equity shares of the Company post listing	Board of Directors
4	January 21, 2025	To enhance coverage of Insiders by amending definition of Connected Persons and addition of definition of “Relatives” pursuant to the amendments made to the PIT Regulations by SEBI vide its notification dated December 4, 2024.	Board of Directors

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1. OVERVIEW AND REGULATORY FRAMEWORK

- 1.1 The Securities and Exchange Board of India (“SEBI”) has issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) that *inter alia* prohibits insider trading and regulates sharing of unpublished price sensitive information (“UPSI”).
- 1.2 Avanse Financial Services Limited (“Avanse” or “Company”), having listed debt securities, is required to conform to requirements and minimum standards prescribed under the PIT Regulations.
- 1.3 On January 25, 2016, the board of directors of the Company (“Board”), adopted a policy for Code of Conduct for Board Members and Key Managerial Personnel (“KMPs”), pursuant to which policy the Board and the senior management personnel of the Company are required to comply with all laws, rules, and regulations governing trading and dealing with the securities of the Company which, *inter-alia*, prohibits buying or selling of the Company's securities on the basis of any UPSI and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his/ her personal benefit or gain.
- 1.4 Pursuant to the amendments made to the PIT Regulations from time to time, the Company has adopted this ‘Policy for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information’ (“Policy”) to set down principles, procedures and practices to be followed for: uniform and fair disclosure of UPSI, determination of legitimate purposes, permitted disclosure events when UPSI may be shared; to regulate, monitor and report trading by the Company’s designated persons and their immediate relatives; broad principles to be followed in any case of leak or suspected leak of Unpublished Price Sensitive Information; and ensuring compliance with the PIT Regulations.

2. DEFINITIONS

- i. “Act” means the Securities and Exchange Board of India Act, 1992;
- ii. “AFSL Securities” or “Securities” or “Securities of the Company” shall mean listed and proposed to be listed Securities of the Company;
- iii. “Board of Directors” or “Board” shall mean the Board of Directors of the Company;
- iv. “Code” or “this Code” shall mean this Policy;
- v. “Company” or “the Company” or “AFSL” means Avanse Financial Services Limited;
- vi. “Connected Person” means
 - a. any person who is or has been, during the six months prior to the concerned act, associated with the Company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the Company, that allows such

a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- b. 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) a relative of connected persons specified in clause (a); or
 - (b) a holding company or associate company or subsidiary company; or
 - (c) an intermediary as specified in section 12 of the Act 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 a company or his relative or banker of the Company, has more than ten per cent. of the holding or interest;
 - (k) a firm or its partner or its employee in which a connected person specified in sub-clause (a) above is also a partner; or
 - (l) a person sharing household or residence with the connected person specified in sub-clause (a) above.

- vii. “Designated Person(s)” shall include:
 - a. Directors of the Company;
 - b. Key Managerial Personnel as defined in the Companies Act, 2013;
 - c. Chief Executive Officer and Employees upto two levels below Chief Executive Officer;
 - d. Executive Assistants and Secretaries of Managing Director & CEO;
 - e. Permanent invitees to the meetings of the Board of Directors of the Company;
 - f. Such other persons as may be identified by the Compliance Officer from time to time on the basis of their functional role in the Company and having due regard to the access that such role and function would provide to UPSI.

- viii. “Generally Available Information” means information that is accessible to the public on a non-discriminatory basis, such as information published on the website of the stock exchanges. “Generally Available” with respect to information shall be construed accordingly;

- ix. “Immediate Relatives” means a spouse of a person, and includes parent, siblings 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.

- x. “Insider” means a person who is (a) a Connected Person; or (b) in possession of or having access to unpublished price sensitive information regarding the Company.
 - xi. “Leak” shall mean dissemination of any Unpublished Price Sensitive Information by any Insider, employee, Designated Person, any Connected Person or any other person in possession of Unpublished Price Sensitive Information, to any person other than those persons authorized by the board of directors or the Compliance Officer to handle Unpublished Price Sensitive Information in accordance with the PIT Regulations, and the term “**Leaked**” shall be construed accordingly.
 - xii. “relative” shall mean (i) spouse of the person; (ii) parent of the person and parent of its spouse; (iii) sibling of the person and sibling of its spouse; (iv) child of the person and child of its spouse; (v) spouse of the person listed at sub-clause (iii); and (vi) spouse of the person listed at sub-clause (iv).
- 2.1 All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, the Companies Act, 2013, the PIT Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and / or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.
- 2.2 This Policy is formulated in conformity with the PIT Regulations and in case of any inconsistency, the provisions of the PIT Regulations shall prevail. In the event of any amendment to the PIT Regulations from time to time, the same shall be deemed to be automatically incorporated in this Policy and this Policy shall be deemed to stand modified to the extent of such amendment, without any modification to this Policy.
- 3. APPLICABILITY**
- 3.1 This Code shall apply in relation to fair disclosure of UPSI and shall apply to every such disclosure arising from time to time.
- 3.2 The Board and senior management team are expected to conduct themselves in a manner that meets the expectations of stakeholders through operational transparency while maintaining confidentiality of UPSI to the extent needed to meet business objectives.
- 4. PRINCIPLES OF FAIR DISCLOSURE**
- 4.1 The Company shall promptly make public disclosure of any UPSI that would impact the price discovery of its listed securities, no sooner than credible and concrete information comes into being in order to make such information generally available.
- 4.2 The Company shall undertake uniform and universal dissemination of UPSI to avoid selective disclosure.

- 4.3 The Company shall make prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
- 4.4 The Company shall make appropriate and fair responses to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 4.5 The Company shall not share any UPSI with the analysts, institutional investors and research personnel.
- 4.6 The Company shall handle all UPSI on a need to know basis in accordance with this Policy and the PIT Regulations.

5. CIRO AND COMPLIANCE OFFICER

- 5.1 Chief Financial Officer of the Company is designated as the 'Chief Investor Relations Officer' ("CIRO") of the Company and shall deal with dissemination of information and disclosure of UPSI, through the Company Secretary and/or Compliance Officer of the Company. In case of absence of Company Secretary and/or Compliance Officer, any KMP shall deal with such dissemination. The CIRO shall make determination of questions as to whether any particular information amounts to UPSI or whether disclosure will be Permitted Disclosure or any other questions that may arise from time to time in relation to this Policy and /or the PIT Regulations.
- 5.2 The Company Secretary and in his/her absence Chief Financial Officer of the Company is designated as the Compliance Officer for the purposes of this Policy and the PIT Regulations. The Compliance Officer shall report to the Audit Committee on a quarterly basis and be responsible for compliance of policies, procedures, maintenance of records, monitoring of trades, submission of reports and other information to the Audit Committee or SEBI and adherence with and implementation of requirements under the PIT Regulations, under the overall supervision of the Board.

6. PERMITTED DISCLOSURES

- 6.1 Notwithstanding anything contrary, subject however to the PIT Regulations, any UPSI may be disclosed to third parties only for the following purposes in accordance with this Policy, and these shall be deemed as "**Permitted Disclosures**" for the purpose of this Policy:
- (a) for legitimate business purposes and for performance of routine or assigned duties and when possession of such UPSI by the recipient will not give rise to a conflict of interest or amount to the misuse of such UPSI; and/or
 - (b) to discharge statutory or legal obligations.

Provided, without prejudice to the PIT Regulations or any other applicable laws, that, only the following persons shall be permitted to make disclosure of any UPSI to any third parties, in accordance with this Policy: (i) directors on the Board and personnel of the Company who are members of its core management team / management council, their direct reportees, and one level below them ("**Authorised Persons**"), and (ii) any other personnel of the Company, only with the prior consent of the Authorised Persons and / or CIRO.

- 6.2 Permitted Disclosures may be made on a need basis, without any obligations to make UPSI, shared pursuant to any Permitted Disclosure, generally available to the public. Disclosures to public shall also be considered as Permitted Disclosures in case it is made to ensure that UPSI becomes generally available information.
- 6.3 Permitted Disclosures shall not be made to evade or circumvent the prohibitions of the PIT Regulations. Due notice shall be given to all Insiders including third parties who receive any UPSI pursuant to a Permitted Disclosure, to maintain confidentiality of such UPSI in compliance with the PIT Regulations and not trade in any securities of the Company.
- 6.4 Legitimate Purpose:
- (a) The term “legitimate purpose” shall include sharing of UPSI in the ordinary of business by an Insider with the partners, collaborators, lenders, customers, suppliers, bankers, merchant bankers, legal advisors, auditors, credit rating agencies, statutory/regulatory authorities, directors, shareholders, potential investors, vendors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of the PIT Regulations.
 - (b) The Chief Financial Officer of the Company, with or without consultation with the concerned Head of Department or Functional Head, shall evaluate the specific instances of sharing UPSI under this Policy as legitimate purpose.
 - (c) Without prejudice to the generality of the foregoing, the following is an illustrative list of what may constitute legitimate purposes for sharing of UPSI:
 - i. to lenders or proposed lenders of the Company with respect to sanctioning of limits, continuation of sanctioned limits, modification of limits or fulfilment of covenants under financing documents, etc.
 - ii. to agents, sub-agents, business correspondents, in the ordinary course of business or as stipulated under applicable law.
 - iii. to credit rating agencies for assessment, evaluation and monitoring of rating of any securities.
 - iv. to trustees or other relevant persons for protection of interest of debenture holders and deposit holders (if any).
 - v. to suppliers/vendors of goods or services or outsourced activities.
 - vi. to market intermediaries in case of identification and validation of proposals for organic growth.
 - vii. to legal, financial, tax and other advisors in connection with the services being availed by the Company.
 - viii. to auditors (including but not limited to statutory auditors, internal auditors, secretarial auditors) to enable performance of their duties.
 - ix. to insolvency professionals in case of restructuring and recovery of credits of/from borrowers.

7. DISCLOSURE BY CERTAIN PERSON(S)

- 7.1 Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter or member of the Promoter group shall disclose his / her holding of Securities of the Company, if any, as on the date of appointment or becoming a Promoter, to the Company within seven days of such appointment or becoming a Promoter in Form A.

It is hereby clarified that the aforesaid disclosure, if applicable, to be made by Key Managerial Personnel or a director of the Company or Promoter or member of the Promoter group shall include details of Securities held by the Immediate Relatives also.

- 7.2 Every promoter, member of the Promoter group, Designated Person and Director of the Company shall disclose to the Company the number of such listed Debentures acquired or disposed of within two trading days of such transaction if the value of such listed Debentures traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten Lakh or such other value as may be specified, from time to time.

8. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

- 8.1 All Insiders are prohibited from (i) trading in any AFSL Securities of the Company when in possession of UPSI; (ii) communicating, providing or allowing access to any UPSI to any person including other Insiders; and (iii) procuring from or cause the communication by any Insider of UPSI. All Insiders are required to adhere to conditions of strict confidentiality and not share, communicate, provide or allow access to any UPSI in violation of this Policy, the PIT Regulations and/or any employee / confidentiality / non-disclosure agreements executed with them.
- 8.2 The quarterly & annual financial results, press releases and the disclosures made with the stock exchanges shall be made available for general public. Material information that could impact price discovery shall be given by the Company to stock exchange(s) and/or disseminated to the general public on a continuous and uniform basis as required under applicable laws.
- 8.3 Employees of the Company shall not respond to any queries or to any market rumours unless specifically authorised by the Managing Director (“**MD**”) of the Company and/or CIRO.
- 8.4 The CIRO shall ensure that (a) the information shared with analysts and research personnel is not UPSI and (b) any information provided in response to analyst queries or during discussions in meeting or any other information which is UPSI, is made public.

9. PROCESS FOR SHARING UPSI

9.1 The following sequential steps shall be followed for making any Permitted Disclosure of UPSI:

- (a) Prior to sharing any UPSI, any employee shall ensure that such disclosure will be considered as a Permitted Disclosure and that such dissemination is on a need basis. If the employee is any person other than an Authorised Person, such employee will seek prior consent of and consult with an Authorised Person on the determination of Permitted Disclosure and requirement of disclosure.
- (b) Prompt and prior intimation of the proposed disclosure shall be provided to the CIRO along with reasons for determination of such disclosure being considered as a Permitted Disclosure.
- (c) The recipients of UPSI shall be clearly identified, and their names, permanent account numbers (“PAN”) or other identifiers and information as required under the PIT Regulations or as determined by the CIRO, shall be obtained and provided to CIRO and the Compliance Officer.
- (d) Prior to actual disclosure, the recipient shall be notified that information being shared will be considered as UPSI and therefore is confidential and proprietary and that the disclosed information will need to be dealt with in the manner provided under the PIT Regulations (including prohibition from trading in securities of the Company). Robust confidentiality/non-disclosure agreement will be executed with such recipients to this effect.
- (e) The details of sharing of the UPSI shall be duly communicated to the Compliance Officer along with the details of the recipient and such details shall be maintained in a digital database as required under this Policy and the PIT Regulations.

10. STRUCTURED DIGITAL DATABASE

10.1 The Board shall ensure that a structured digital database is maintained containing the names of persons or entities, as the case may be, with whom UPSI is shared along with the PAN and other details as required under the PIT Regulations. The database shall also contain the names of personnel of the Company who have communicated the UPSI. Such database shall be maintained in accordance with the PIT Regulations, with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

11. CHINESE WALL

The Company shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals shall be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

Chinese Wall procedures and physical arrangements (collectively ‘Chinese Walls’) shall be used to manage confidential information and prevent the inadvertent spread and misuse of unpublished price sensitive information. In general, Chinese Walls separate areas that have access to price sensitive information (“Inside Areas”) from those which do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to the passing of unpublished price sensitive information and other confidential information.

Where Chinese Wall arrangements are in place Employees working within an Inside Area are prohibited from communicating any unpublished price sensitive information to Employees in Public Areas except in furtherance of legitimate purposes (in compliance with the Policy for determination of “Legitimate Purposes”), performance of duties or discharge of legal obligations and with the prior approval of the Compliance Officer and in compliance with the Policy for determination of “Legitimate Purposes”.

12. TRADING RESTRICTIONS AND PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 12.1 All Designated Persons and their Immediate Relative(s) shall be subject to the trading restrictions as enumerated below:
- 12.2 **Trading Window:** The Designated Person and his/ her Immediate Relative(s) shall trade in Securities of the Company only during a specific trading period called “Trading Window” to be specified by the Company.
- 12.3 The Trading Window shall be closed during the time any of the following information is unpublished and which if published is likely to materially affect the price of the Securities of the Company:
- a. financial results;
 - b. dividends;
 - c. change in capital structure;
 - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - e. such other information as may be specified by the Compliance Officer for this purpose.

In respect of declaration of financial results, the Trading Window shall remain closed from the first day of the month following the respective quarter, half-year or financial year, as the case may be, till 48 (forty-eight) hours after the declaration of Financial Results.

For other items, the Compliance Officer, on receipt of information from the CIRO, shall determine the period for which the Trading Window shall remain closed and when it will be re-opened. In case of information, which is eventually made generally available, the Trading Window with respect to such information shall not be re-opened earlier than 48 hours after the information becomes generally available.

Every time a closure of the Trading Window is announced, the Compliance Officer shall in consultation with CIRO identify the employees, Connected Persons and / or Designated Persons to whom the restriction shall apply during the closed period.

Also, the Trading Window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information.

The Designated Persons and their Immediate Relative(s) shall conduct all their trading in the AFSL Securities only when the Trading Window is open and shall not trade in AFSL Securities during the period when Trading Window is closed or during any other period as may be specified by the Company from time to time.

Designated Persons shall execute trades subject to compliance with the PIT Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the Designated Persons.

When the trading window is open, trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as stipulated in this Policy. The thresholds would be subject to review by the Board of Directors from time to time. No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of Unpublished Price Sensitive Information even if the trading window is not closed.

12.4 **Pre-clearance of trades:**

All Designated Persons and their Immediate Relative(s) who intend to trade in the AFSL Securities, when the trading window is open, should pre-clear the transactions, by making an application in **Form B** to the Compliance Officer where the aggregate value of the AFSL Securities to be traded during a calendar month exceeds the value specified by the Board of the Company. Currently, the value stipulated by the Board is Rs. 5 lakhs in a calendar month.

It is clarified that it shall be the responsibility of the Designated Persons to obtain approvals in respect of the aforesaid transactions proposed to be entered into by their Immediate Relative(s).

Prior to approving of trades, the Compliance Officer shall be entitled to seek a declaration(s) from the applicant that he/she is not in possession of any Unpublished Price Sensitive Information. The Compliance Officer shall have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

The Compliance Officer shall either clear the requested trade or decline to clear the requested trade within 3 (three) Trading Days of the receipt of the application in the prescribed Form. In case the clearance is declined, the Compliance Officer shall assign reasons in writing for doing so. If the Designated Person does not receive any response from the Compliance Officer within the aforesaid period of 3 (three) Trading Days, the requested trade can be deemed to have been cleared by the Compliance Officer.

The pre-cleared trade should be executed by the Designated Person or their Immediate Relative, as the case may be, within 7 (seven) Trading Days, failing which fresh pre-clearance will be required for the respective trades to be executed.

Provided that in the event the period between the date of the aforesaid approval and the commencement of the closure of trading window is less than 7 (seven) Trading Days (“Lesser Period”) then the said transaction shall be executed within such Lesser Period.

In case the Compliance Officer or any of his / her Immediate Relative(s) wishes to trade in the AFSL Securities, he / she would have to make the application in the prescribed Form to the Chief Financial Officer of the Company who would consider the requested trade within 3 (three) Trading Days as aforesaid. The remaining provisions of this clause, as applicable to Designated Person, would also apply to the Compliance Officer.

12.5 **Other restriction**

All Designated Persons who trade in the Securities of the Company shall not execute a contra trade in the Security during the next six months following the prior trade. In case of exigency, the Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing upon an application made in prescribed form.

Inadvertently or otherwise, if any trade is executed in violation of the contra trade restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

13. **TRADING PLAN**

13.1 Any Insider who may be perpetually in possession of Unpublished Price Sensitive Information shall be entitled to formulate trading plan enabling him/her to trade in AFSL Securities in a compliant manner. The Compliance Officer is required to review such trading plan to assess whether the trading plan will not potentially violate the Insider Trading Regulations. Trading plan approved by the Compliance Officer should be notified to the Stock Exchanges where AFSL Securities are listed or proposed to listed.

13.2 Trading Plan shall:

- not entail commencement of trading on behalf of the insider earlier than 120 calendar days or such other days as may be prescribed under the PIT Regulations from the notification of the plan to the Stock Exchange;
- not entail overlap of any period for which another trading plan is already in existence;
- set out the following parameters for each trade to be executed
 - a. either the value of trades to be effected or the number of Securities to be traded
 - b. nature of the trade
 - c. either specific date or time period not exceeding 5 consecutive trading days
 - d. price limit, i.e. an upper price limit for a buy trade and a lower price limit for a sale trade, subject to the range as specified below:
 - i. for a buy trade; the upper price limit shall be between the closing price on the day before submission of the trading plan and upto 20% higher than such closing price
 - ii. for a sell trade, the lower price limit shall be between the closing price on the day before submission of the trading plan and upto 20% lower than such closing price
- not entail trading in Securities for market abuse.

- 13.3 Pre – clearance of trades, trading window norms and restrictions on contra trade shall not be applicable for trades executed as per an approved trading plan.
- 13.4 The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.
- 13.5 The Compliance Officer may seek express undertakings necessary for the assessment, approval, and implementation of the trading plan. An approved trading plan is irrevocable. Insider cannot execute any trade outside the scope of the trading plan.
- 13.6 Implementation of a trading plan shall not commence if any Unpublished Price Sensitive Information in possession of the insider at the time of formulation of the plan is not generally available at the time of implementation. Compliance officer may defer the commencement until such Unpublished Price Sensitive Information is generally available
- 13.7 If the Insider has set a price limit for a trade, the Insider shall execute the trade only if the execution price of the Security is within such limit. If price of the security is outside the price limit set by the Insider, the trade shall not be executed.
- 13.8 In case of non-implementation (full/partial) of trading plan due to either reasons enumerated hereinabove or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:
- (i) The Insider shall intimate non-implementation (full/partial) of trading plan to the Compliance Officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.
 - (ii) Upon receipt of information from the Insider, the Compliance Officer, shall place such information before the PIT Committee and thereafter place the information along with the recommendation of PIT Committee to accept or reject the submissions of the Insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.
 - (iii) The decision of the Audit Committee shall be notified by the Compliance Officer on the same day to the stock exchanges on which the Securities are listed.
 - (iv) In case the Audit Committee does not accept the submissions made by the Insider, then the PIT Committee shall take action as per this Policy and / or the Applicable Laws.
- 13.9 The trading plan of the Compliance Officer, if any, shall be presented to the Chief Financial Officer of the Company for approval.

14. DISCLOSURES BY DESIGNATED PERSONS

14.1 Every Designated Person shall disclose, in the format specified in this Code, to the Compliance Officer, the names and the Permanent Account Number (PAN) or any other identifier authorized by law of the following persons on an annual basis (i.e. end of financial year) and as and when information changes and on the date of becoming a designated person, within a period of 30 days therefrom in **Form C** of this Policy:

- 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

Additionally, the Designated Person, on one time basis, shall also disclose the names of educational institutions from which he / she has graduated and the names of past employers.

Explanation–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 a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

14.2 Notwithstanding the above, the Compliance Officer may require any information or details, including but not limited to the demat holding / transaction statement, contract notes, consolidated account statement etc. from any Designated Person(s), Insider(s) and / or Connected Persons(s), as he may deem fit and appropriate for the purpose of furtherance the objectives of this Policy and / or the PIT Regulations.

15. PENAL ACTION FOR CONTRAVENTIONS

15.1 Failure to comply with this Policy is a serious offence and any Designated Person who violates the provisions of this Policy or any employee, Insider, Designated Person who has Leaked any UPSI shall be liable for one or more penal, disciplinary, remedial and / or corrective action as may be considered appropriate, subject to the PIT Regulations, other applicable laws and policies and processes of the Company, by the committee consisting of CIRO, Company Secretary, Chief Compliance Officer, Chief People Officer and Chief Risk Officer or such other Committee or Official, (“PIT Committee”), as the Board may decide from time to time.

15.2 Procedure for inquiry

- (a) Upon becoming aware of any Leak or any allegations or suspicions of a Leak or contravention of this Policy, including, by way of:
 - (i) communication received from regulatory authorities; or
 - (ii) a written complaint and/or email received from a whistle-blower; or
 - (iii) Company’s own / internal monitoring, etc.

the PIT Committee shall evaluate and determine if the matter merits any enquiry or investigation. It is clarified that market rumours, inferences based on media reports, or

observations made by analysts, etc. will not be the only determining factors for initiating a preliminary enquiry, and the PIT Committee has the discretion to decide if an enquiry is required to be undertaken, in each such case.

- (b) The PIT Committee shall undertake an investigation and analyse the accuracy of the allegation / suspicion of Leak by taking necessary steps, including giving the opportunity to make representations (oral or written), obtaining relevant records and information, taking view or opinion of any consultant / advisor.
- (c) The PIT Committee while deciding the level of sanctions may take into account factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, numbers of securities transacted, nature of breach / Leak, whether the breach / Leak occurred as a result of deliberate intent or not.

15.3 Without prejudice to the powers conferred upon the PIT Committee in para 15.1 and 15.2 above and subject to the PIT Regulations, other applicable laws and the policies and processes of the Company, the PIT Committee may apply, take, initiate and / or recommend one or more following actions / sanctions as it may deem fit and proper in the discretion of the PIT Committee viz:

- a) issue of warning / reprimand letter(s);
- b) levy any monetary fine as the PIT Committee may deem fit which may extend upto two times the amount of profits made or losses avoided by the concerned Designated Person, if any;
- c) actions like suspension;
- d) wage freeze;
- e) transfer to other function / department / location / entity within the group;
- f) termination; or
- g) such other action as the Committee deem fit and appropriate looking to the gravity of the violation / Leak / breach.

15.4 In case the PIT Committee is of the view that there has been any violation of the PIT Regulations by any of the Designated Persons, the Company shall promptly inform the stock exchange(s) where the AFSL Securities are listed, in such form and such manner, if any, as may be specified by SEBI from time to time.

16. PROTECTION AGAINST RETALIATION FOR REPORTING SUSPECTED VIOLATIONS

Any employee who reports any alleged violations of insider trading laws to SEBI under the 'Informant Mechanism' introduced vide the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated 17th September 2019 will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

17. EXCEPTIONS

The Compliance Officer may grant exceptions to specific provisions of this Code in appropriate circumstances either for specific transactions, for specific periods or in general. Such exceptions shall not violate the PIT Regulations.

18. AMENDMENTS TO THIS POLICY

Any amendment to this Policy shall be done post obtaining approval from the Board.

It is hereby clarified that if and when any applicable laws concerning the subject matter of this Policy are promulgated, amended, enacted, re-enacted or modified, this Policy shall, unless otherwise prescribed, be deemed to be amended to take into account or to give effect to such promulgated, amended, enacted, re-enacted or modified applicable laws including but not limited to any form or format given or provided under this Policy.

Form-A

Disclosure on becoming a Key Managerial Personnel / Director / Promoter / Member of the Promoter Group of Avanse Financial Services Limited

Name of the Company			Avanse Financial Services Limited		
ISIN					
Details of Securities held on appointment of Key Managerial Personnel (“KMP”) or Director or upon becoming a Promoter or member of the Promoter Group and immediate relatives of such persons					
Name, PAN, CIN / DIN & Address with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group / Immediate relative /others, etc.)	Date of appointment of KMP / Director / OR Date of becoming Promoter / member of the Promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Holding
			Type of Securities (For e.g. – Shares, Warrants, Debentures, Rights entitlements, etc.)	Number of Securities	
(1)	(2)	(3)	(4)	(5)	(6)
Details of Open Interest (“OI”) in derivatives on the Securities of the Company held on appointment of KMP or Director or upon becoming a Promoter or member of the Promoter group and immediate relatives of such persons and by other such persons					
Open Interest of the Future contracts held at the time of appointment of Director / KMP or upon becoming Promoter / member of the Promoter group			Open Interest of the Option Contracts held at the time of appointment of Director / KMP or upon becoming Promoter/member of the Promoter group		
Contract specifications	Number of units (contract / lot size)	Notional value (Rs.)	Contract specifications	Number of units (contract / lot size)	Notional value (Rs.)
(7)	(8)	(9)	(10)	(11)	(12)

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options.

Signature /Intimation by Email

Name of the Employee:

Date:

Form-B
Application for Pre Clearance to Trade

To,
The Compliance Officer
Avanse Financial Services Limited

With reference to the Avanse Financial Services Limited's policy on Prohibition of Trading by Insiders, I hereby give notice that I seek approval to transact in the Securities of the Company as per the details given below:

1	Name of the applicant	
2	Designation	
3	Relationship with the Applicant (Self / Immediate Relative*)	
4	Type of Security	
5	Number of Securities held as on date	
6	Folio No. / DP ID – Client ID	
7	Nature of Transaction (Strike-off whichever is not applicable)	Purchase / Sell / Subscribe / Pledge / Unpledge / Transfer / Others _____
8	Number of Securities	
9	Total Consideration for Transaction (Rs.)	
11	Name of the proposed counter-party	

(* "Immediate Relative" means a spouse of a person, and includes parent, siblings 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.

With reference to the above, I solemnly confirm and declare:

- a. That I do not have access to or have not received any UPSI upto the time of signing this application.
- b. That in case I have access to or have received UPSI after the signing of this application but before the execution of the transaction, I shall inform the Compliance Officer of any change in my position and that I shall refrain from dealing in the Securities of the Company till such time such information becomes public.
- c. That I have not contrived the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and the Company's policy for prevention of Insider Trading and Fair Disclosure of UPSI ("Insider Trading Policy").
- d. That I am aware that I shall be liable to face penal consequences as set forth in the Insider Trading Policy in case the above declarations are found to be misleading or incorrect at any time.
- e. That I shall not transact in Securities in the sanctioned period in case Trading Window closure is declared prior to undertaking the transaction.
- f. That I undertake not to make contra trade transaction in the Securities of the Company within a period of six months from the date of the requested transaction.

Signature /Approval by Email

Name of the Employee:

Date:

Authorisation to Trade

The above transaction has been authorised. Your transaction must be completed within 7 trading / working days from the date of this approval.

Signature /Approval by Email

Name:

Date:

Form C
Disclosure by Designated Persons

To
Compliance Officer
Avanse Financial Services Limited
Mumbai

As of _____ please note my following details:

Name of Immediate Relative(*) / person with whom I am having a material financial relationship(\$)	Relationship with such person	Permanent Account Number of such person	Phone / Mobile Number of such person

(*) "Immediate Relative" means (i) spouse (whether he / she is financially dependent on the employee or not); (ii) child, parent and sibling of employee, if such parent / sibling / child is either dependent financially on employee, or consults employee in taking decisions relating to trading in securities.

(\$) "material financial relationship" means 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 payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

I hereby declare that the above information is true and correct to the best of my knowledge and that I shall intimate any changes therein, if any, immediately.

Yours faithfully,

(Signature)/ (By Email):

Name of Designated Person: