



Managing of Conflict of Interest in Investment / Trading in Securities

I. Overview

This document describes the policy, procedures and restrictions to manage Conflict of Interest in investment / trading at Infomerics Valuation and Rating Private Limited (Infomerics Valuation and Rating Private Limited is hereinafter referred to as "Infomerics").

II. Definitions

For the purposes of this document, the terms below shall have the following meanings:

a) Securities

The scope of securities includes shares, debentures, bonds, warrants and derivatives.

It is not applicable to the following investments:

- i. Investments which are not in the nature of securities like life insurance policies, provident funds (including public provident fund) or investment in savings schemes such as National Savings Certificates, National Savings Schemes, Kisan Vikas Patra, or any other similar investments.
- ii. Investments of a non-financial nature such as gold, real estate etc, where there is no likely conflict of interest.
- iii. Investments in government securities.
- iv. Investments in units of Mutual Funds.

b) Immediate Family

The restrictions on investment / trading are applicable to Employees including Access Persons (both for individual and joint holdings / transactions), or in the name of their dependents or as a member of HUF, or consults such person in taking decisions relating to trading in securities.

c) Access Persons

The term "Access Persons" referred to in this document includes the Chief Executive Officer of Infomerics, all Business Heads (with designation of President or equivalent in the Credit Rating division), Rating Analysts, Compliance team members and Rating Committee members.

III. Trading/Investment by Infomerics

Infomerics shall ensure that there is no existence or appearance of existence of conflict of interest while making investment in any securities. Infomerics shall not make any



investment in securities issued by companies which have credit ratings from Infomerics. It shall not utilize any non-public price sensitive information about any company from its credit ratings division in its investment decision making process.

IV. Trading/Investments by Employees/Access Persons of Infomerics

a. Disclosures

Upon entering employment with Infomerics and thereafter on an annual basis every Employee/Access Person of Infomerics must submit to the Compliance Officer a Holdings Statement with respect to the details of the securities held by him/her (including the securities held by his/her immediate family members). The Compliance Officer shall make such disclosure to the Chief Executive Officer of Infomerics.

An Employee/Access Person of Infomerics shall within seven days submit his/her Holdings Statement as on the date of joining Infomerics and thereafter submit his/her holding statement annually as on March 31st within the next thirty days.

On completion of any and every transaction of securities, the Employees/Access Persons shall furnish the transaction details within seven days from the date of transaction to the Compliance Officer for record.

b. Prior Approval for transactions

1. Each Employee/Access Person **must** obtain **prior** written approval to enter into a securities transaction. This includes all transactions of the Employee/Access Person and his/her immediate family members, including those through initial public offerings (IPOs).

2. An Employee/Access Person shall obtain such approval from the Compliance Officer.

3. The Compliance Officer shall obtain such approval from the Chief Executive Officer of Infomerics.

4. On receipt of the approval, the order must be executed within seven days after the approval is given. If the order is not executed within seven days, then the Employee/Access Person of Infomerics must provide the reason for not executing the transaction and if the requirement for executing the transaction persists take prior approval for the transaction again.

5. Pre-approval is required for all transactions in Infomerics shares from the Chief Executive Officer of Infomerics. The Chief Executive Officer will require pre-approval



from the Compliance Officer for all transactions in Infomerics shares. The approval is valid for seven days.

c. Restricted /Grey list

1. In order to prevent trading in client securities based on inside information, Infomerics shall restrict trading in securities of certain companies and designate such list of companies as a restricted / grey list.
2. Infomerics shall put such companies on the restricted/grey list where Infomerics has a business relationship and is privy to price-sensitive information. Separate restricted lists shall be maintained for each business by Infomerics. The restricted lists shall be maintained by the Compliance Officer.
3. When a company is on the restricted list relevant to a business group, trading in securities of that company by Employees/Access Persons of that business group shall be blocked or disallowed at the time of pre-clearance.
4. All Employees/Access Persons are also prohibited from holding or trading in any securities issued by other Indian credit rating agencies.

d. Other restrictions

1. All Employees/Access Persons of Infomerics shall hold their investments for a minimum period of 60 days (after purchase before selling) in order to be considered as being held for investment purposes.
2. The holding period shall also apply to purchases in the primary market (Initial Public Offerings or IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.
3. In case the sale of securities is necessitated by the personal emergency of an Employee/Access Person, the holding period may be waived by the Compliance Officer in consultation with the Head of Department after recording in writing the Employee's reasons.
4. Analysts, while preparing reports of a client Company(s), shall disclose their shareholdings/interest in such Company(s) upfront.



V. General Guidelines

1. The members of the Rating Committee shall upfront declare / disclose their interest, if any, to the Compliance Officer in the securities / instruments / facilities that are considered for rating / grading by the Infomerics.

2. Employees shall

- a. at all times maintain high standards of integrity in the conduct of their business;
- b. ensure fair treatment of their clients and not discriminate amongst them;
- c. make appropriate disclosure to the clients of possible sources or potential areas of conflict of interest which would impair the ability to render fair, objective and unbiased service;
- d. not enter into any transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict;
- e. not deal in securities while in possession of material non published information;
- f. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- g. shall not communicate, counsel, or provide directly or indirectly any unpublished price-sensitive information to others who can trade on such information.

3. Each employee should be free from any interest or influence that would make it difficult to give Infomerics the employee's best efforts and undivided attention.

4. Effective measures will be implemented to reduce opportunities for conflict such as information technology barriers to block or hinder the flow of information from one department to another when such flow of information is inappropriate.

VI. Violation

The above guidelines are applicable to all employees and violation of the guidelines shall be ground for disciplinary action. Submission of the information as required under this document in no way authorises an employee of Infomerics to continue insider trading or ratifies the transactions executed earlier.

The information submitted by the employee of Infomerics is for record and Infomerics is not responsible if the employee contravenes the provisions of:

- a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- c) Any other circular/regulation/guideline issued by SEBI from time to time.



1. Employees who violate the provisions of this document may also be subject to disciplinary action by the company, which can include wage freeze, suspension, etc.
2. Any penal action by Infomerics shall not preclude the Securities and Exchange Board of India (SEBI) from taking any action in case of violation of any of SEBI's regulations.
3. It is the policy of Infomerics to proactively cooperate with all Regulators and Law Enforcement Agents in their investigations including those involving its employees.
4. Any data provided by an employee to comply with this document will be kept confidential and will not be shared, except on a "business-related need-to-know" basis and to a restricted set of individuals.