

***EQUITAS SMALL FINANCE BANK LIMITED***  
***INTERNAL CODE OF CONDUCT FOR***  
***PREVENTION OF INSIDER TRADING***

AS PER SECURITIES EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER  
TRADING) REGULATIONS, 2015  
(AS AMENDED FROM TIME TO TIME)

History of Revisions

<b>Version</b>	<b>Summary of Revisions</b>	<b>Date of approval</b>
3.0	Annual Review	28-Jan-22
2.0	Annual review	09-Nov-2020
1.0	Policy Formulation	22 -Nov-2019

## CONTENTS

<b>Particulars</b>	<b>Page No.</b>
Code of Conduct for Prevention of Insider Trading in shares	4-17
Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information	18-22

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SHARES OF EQUITAS  
SMALL FINANCE BANK LIMITED (“PIT Code”)**

1. This PIT Code shall come into force from November 22, 2019 and shall be applicable to the “Designated Person” defined in the PIT Code.

2. **Definitions:**

For the purpose of the Codes the following terms shall have the meanings assigned to them hereunder:

- i. “Act” means the Securities and Exchange Board of India Act, 1992;
- ii. “Board” means the Board of Directors of the Company;
- iii. "Company" or "the Company" or “Equitas” or “Bank” means Equitas Small Finance Bank Limited;
- iv. " Compliance Officer" means any senior officer, so designated, reporting to the Board, and who is responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Codes under the overall supervision of the Board;
- v. "Connected Person" means:
  - a) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity 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 between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information (UPSI) of the Company or is reasonably expected to allow such access;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
    - I. an immediate relative of connected persons specified in clause (a); or
    - II. a holding company or associate company or subsidiary company; or
    - III. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
    - IV. an investment company, trustee company, asset management company or an employee or director thereof
    - V. an official of a stock exchange or of clearing house or corporation; or

- VI. 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
  - VII. 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
  - VIII. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - IX. a banker of the Company; or
  - X. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent of the holding or interest;
- vi. "Director" means a member of the Board of Directors of the Company
- vii. "Designated Employee (s)" shall include the following persons employed by the Company / Holding Company / Subsidiaries/Associates
- a) Key Managerial Personnel ("KMP");
  - b) Officers comprising two levels below CEO;
  - c) Officers above the level of EB08
  - d) Employees of Accounts, Finance, Taxation, Secretarial, IT Departments
  - e) Executive Assistants of the Managing Directors/ Chief Executives
  - f) Such other employees who may have access to Unpublished Price Sensitive Information as may be notified by the Compliance Officer from time to time in consultation with the Board of the Company.
- viii. "Designated Person(s)" shall include:
- a. Promoter(s) of the Company
  - b. Directors of the Company and its Holding Company /Subsidiaries/Associates
  - c. Designated Employee(s);
  - d. Any other connected persons or fiduciary designated on the basis of their functional role in the organization in possession of or having access to UPSI and
- ix. "Employee (s)" means every employee of the Company and its subsidiaries;
- x. "Fair Disclosure Code" means the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as amended from time to time;
- xi. "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis;
- xii. "Immediate Relative" means a spouse of a person, and includes parent, sibling, 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;
- xiii. "Insider" means any person who is (i) a connected person; or (ii) in possession of or having access to unpublished price sensitive information;
- xiv. "Insider Trading Regulations" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- xv. "Key Managerial Personnel" means person as defined in Section 2(51) of the Companies Act, 2013;

- xvi. "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- xvii. "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;
- xix. "PIT Code" shall mean this Code of Conduct for Prevention of Insider Trading in Securities as amended from time to time;
- xx. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- xxi. "Stock Exchanges" means the stock exchanges on which the Securities of the Company are listed currently or proposed to be listed being National Stock Exchange Limited and the BSE Limited;
- xxii. "Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- xxiii. "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- xxiv. "Trading Day" means a day on which the recognized stock exchanges on which Securities of the Company are listed are open for trading and the word "Trade" shall be construed accordingly;
- xxv. "Trading Window" means the period determined by the Compliance Officer, within which the Designated Persons are permitted to Trade; and
- xxvi. "Unpublished Price Sensitive Information" or "UPSI" means any information, relating to the Company or its Securities, listed or to be listed, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily include without limitation, information relating to the following: –
- a) financial results;
  - b) dividends;
  - c) Issue of securities by way of public/ rights/bonus etc.;
  - d) mergers, de-mergers, acquisitions, delisting, disposals, amalgamation, restructuring, arrangement, spin off and expansion of business and such other transactions;
  - e) changes in Key Managerial Personnel ~~Managing Director / Chief Executive Officer~~;
- xxvii. "Working Day" means the working day when the regular trading is permitted on the concerned Stock Exchange.

Words and expressions used and not defined in this PIT Code but defined in the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation as the context may so require.

### **3. Purpose of the code**

This self-regulated PIT Code is designed to maintain the highest ethical standards of Trading in Securities of the Company, listed or proposed to be listed by persons to whom it is applicable. The provisions of the PIT Code are designed to prohibit a Designated Person from Trading in Securities of the Company listed or proposed to be listed when in possession of Unpublished Price Sensitive Information. Further, the provisions of the PIT Code are also designed to regulate communication of UPSI relating to the Company Securities by Designated Persons.

### **4. Role of Compliance Officer**

4.1 The Compliance Officer shall be responsible for

- i. following the policies and procedures laid down by the Board or a Committee thereof, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information under the overall guidance and direction of the Board;
- ii. pre-clearing of trades done by Designated Person;
- iii. monitoring trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company

4.2 The Compliance Officer shall assist all Designated Person(s) in addressing any clarifications regarding the Insider Trading Regulations and the Company's Codes.

4.3 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee of the Company and to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board.

4.4 The Compliance Officer shall seek such express undertakings from Designated Person(s) as may be necessary before approving trade plans and to monitor the implementation of trade plan.

4.5 The Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any Unpublished Price Sensitive Information.

4.6 The Compliance Officer shall confidentially maintain a list of such securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

4.7 The Compliance Officer shall maintain a record of the disclosures made for a minimum period of five years.

### **5. Prohibition on communication or procurement of unpublished price sensitive information**

5.1 All information shall be handled within the organization on a need-to-know basis and no Insider shall –

- i. communicate, provide, or allow access to any UPSI, relating to the Company or its securities listed or proposed to be listed, to any person including other insiders, except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations;

- ii. procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities listed or proposed to be listed except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations;
- 5.2 Provided that Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:
- i. an obligation to make an open offer under the takeover regulations where the Board is of informed opinion that the proposed transaction is in the best interests of the Company; or
  - ii. not attracting the obligation to make an open offer under the takeover regulations but where the Board is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board may determine
  - iii. The Board shall require the parties to execute agreements to contract confidentiality and nondisclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.
  - iv. within a group of persons if such persons have been identified and secluded within a "chinese wall" or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the "chinese wall", and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI.

## **6. Prohibition on Insider Trading**

6.1 An Insider shall not, directly or indirectly, –

- i. Trade in securities that are listed or proposed to be listed when in possession of UPSI;

6.2 Provided the restriction in 6.1 above shall not apply to:

- (i) a transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision;
- (ii) in the case of non-individual insiders: –
  - (a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
  - (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (iii) trades pursuant to a Trading Plan set up in accordance with these Rules.

## **7. Trading Plans**

- 7.1 Subject to Clause 6 and restriction under Regulations, an insider shall be entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- 7.2 Such Trading Plan shall:
- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced and the second trading day after the disclosure of such financial results;
  - iii. not entail trading for a period of less than twelve months;
  - iv. not entail overlap of any period for which another trading plan is already in existence;
  - v. set out either by the value of trades or to be effected or the number of securities, to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
  - vi. not entail trading in securities for market abuse.
- 7.3 The Compliance Officer shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 7.4 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
- 7.5 The implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Designated Persons shall also not be allowed to trade in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.
- 7.6 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

## **8. Trading Window and Window Closure**

- 8.1 The Company shall specify a trading period, to be called “trading window” for trading in the Company’s securities.
- 8.2 The trading window shall be closed during the time the information referred below is unpublished and is available to the designated person/s or if a Board Meeting is convened to consider these items, one week before the Board Meeting:
- a. Declaration of Financial results (quarterly, half yearly and annual);
  - b. Declaration of dividends (interim and final);
  - c. Issue of securities by way of public/ rights/bonus etc;
  - d. Any major expansion plans or execution of new projects;



- e. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - f. Disposal of whole or substantially whole of the undertaking;
  - g. Changes in Key Managerial Personnel;
  - h. Material events in accordance with the listing regulations
  - i. Such other information as may be specified by the Compliance Officer for this purpose.
- 8.3 The trading window shall be opened 48 hours after the information referred to above is made public.
- 8.4 Without prejudice to the generality of the foregoing, trading is not permitted between the seventh day prior to the last day of any financial period for which results are to be announced by the Company and the second trading day after disclosure of such financial results.
- 8.5 Designated persons shall not deal in the Company's securities on the basis of any unpublished price sensitive information or communicate any unpublished price sensitive information to any person except as required in the ordinary course of business, profession or employment or under any law. Likewise designated persons shall not procure any other person to deal in the securities of the Company on the basis of any unpublished price sensitive information. They shall trade in the Company's securities only when the trading window is open.
- 8.6 Subject to Clause 9 of this Code all designated persons of the Company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in the Company's securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.
- 8.7 In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of securities allotted on exercise of ESOPs shall not be allowed when trading window is closed.
- 8.8 In case of Rights issue/s of the Company, subscription to Rights issue up to the rights entitlement of the designated persons may be allowed in the period when the trading window is closed. However, sale of securities allotted on the Rights Issue/s shall not be allowed when trading window is closed. Further, subscription to the rights issue of the Company by the *designated persons* up to their rights entitlement will not require pre-clearance of the transactions by the Compliance Officer. However, the reporting requirements prescribed in the Code shall be complied with by the *designated persons*.
- 8.9 It is clarified that during window closure, all dealings in securities are prohibited, whether the same are within, or in excess of, the threshold limit notified under Clause 9 of this Code, i.e. whether requiring *pre-clearance* or not. Applications for pre-clearance will not be entertained during window closure and Designated Person would need to apply afresh after the expiry of the window closure, if they intend to enter into the applied-for transaction.
- 8.10 If a Window closure is announced after the grant or deemed grant of pre-clearance but during the validity period of such pre-clearance or deemed pre-clearance, the pre-clearance or deemed pre-clearance shall immediately become void prospectively. Transactions already entered into prior to the announcement of the window closure, will however not be considered to be violative of this Code.
- 8.11 The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

## **9. Pre-clearance of trades**

- 9.1 All Designated Persons, who intend to Trade in the Securities of the Company, when Trading Window is open, should pre-clear the transactions, by making an application in the prescribed form and containing the prescribed undertaking to the Compliance Officer where the trades during a calendar month exceed 15,000 in number of shares. However, no Designated Person shall be entitled to apply for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the Trading Window is not closed. It is clarified that the threshold limit would apply in respect of either type of transaction i.e. either buy / acquire or sell / dispose. Pre-clearance will not be required for exercise of ESOP.
- 9.2 The Compliance Officer shall either clear the requested trade or decline to clear the requested trade within 7 (seven) Working Days from the receipt of the application in the prescribed form. In case the Compliance Officer does not reply within the aforesaid period of 7 (seven) days, a Trade shall be deemed to have been cleared/approved by him. In case the Compliance Officer declines to clear the requested trade, he shall assign reasons in writing for doing so.
- 9.3 All Designated Person(s) and/or their Immediate Relatives shall execute their order in respect of Securities of the Company within 1 (one) week after the approval of pre-clearance is given and shall file within 5 (five) days of the execution of the Trade, the details of such Trade with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed in prescribed form.
- 9.4 If the pre-clearance trade order is not executed within 7 (seven) days after the approval is given, the same must be pre-cleared again.
- 9.5 The Designated Person who buys or sells any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next 6 (six) months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. The Compliance Officer has the authority to grant relaxation in strict application of such restriction for reasons to be recorded in writing, provided that, such relaxation does not violate this PIT Code or the Insider Trading Regulations. Should an opposite trade be executed, inadvertently or otherwise, 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.
- 9.6 In case the Compliance Officer or any of his Immediate Relatives wish to deal in the Securities of the Company, he would have to make the application in the prescribed form to the whole time Director of the Company or in his absence the Chairman of the Audit Committee who would consider the requested deal within 7 (seven) Working Days as aforesaid. The remaining provisions of this paragraph 9, as applicable to Designated Person would also apply to the Compliance Officer.
- 9.7.1 In the case of subscription in the primary market (initial public offers), the Designated Persons shall hold their investments for a minimum period of 30 (thirty) days. The holding period would commence when the Securities are actually allotted. The Compliance Officer may waive off the holding period in case of sale of Securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading Window is closed.

9.7.2 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

#### **10. Other Restrictions**

10.1 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

10.2 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code, provided that trading in derivatives of securities is permitted by any law for the time being in force.

#### **11. Disclosure Requirements for transactions in Securities Initial Disclosure**

11.1 Every Key Managerial Personnel and Director of the Company, shall within 30 (thirty) days of this PIT Code taking effect, disclose to the Company the details of all holdings in Securities of the Company presently held by him including the statement of holdings of their Immediate Relatives in the prescribed form.

11.2 Every person, on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter shall disclose his holding of Securities of the Company as on the date of appointment or becoming a promoter, to the Company within 7 (seven) days of such appointment or becoming a promoter.

#### **Continual Disclosure**

11.3 Every Designated Person of the Company shall disclose to the Company in prescribed form, the number of such Securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees ten lakhs only).

#### **Disclosures by other connected persons**

11.4 The Company may, at its discretion requires any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with this Code of Conduct and the Regulations.

#### **Disclosure by Company to Exchanges**

11.5 Within 2 (two) Trading Days of the receipt of disclosure or becoming of aware of such information under Clause 11.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed particulars of such trades

11.6 The Compliance Officer shall maintain records of all the disclosure for a minimum period of 5 (five) years.

### **Reporting by Designated Persons**

11.7 a. Every Designated Person, shall on a semi-annual basis, disclose to the Company the details of all holdings in Securities of the Company held by him including the statement of holdings of their Immediate Relatives in the prescribed form. The first such disclosure shall be made within 30 (thirty) days of end of December 2020. Thereafter disclosures shall be made each year, every 6 (six) months i.e. 6 months ending June and December, within 30 (thirty) days of expiry of the respective period.

b. Every Designated Person, shall on an annual basis, disclose to the Company the name(s) and Permanent Account Number (PAN) of his /her immediate relatives, persons with whom they share material financial relationship, phone / mobile / cell numbers used by them.

c. Every Designated Person shall also disclose the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis

### **Reporting to Board of Directors**

11.8 The Compliance Officer shall report to the Chairman of the Audit Committee or Chairman of the Board of Directors on a quarterly basis the details of trading in securities by

- Director
- KMP
- Designated Employees

where the trades during a calendar month exceed 5,000 in number of shares.

### **Submission of disclosures and prescribed forms**

11.9 All submissions, forms etc., envisaged under the Codes should be addressed to the Compliance Officer and forwarded to the following for administrative purpose and taking appropriate action:

“To  
The Compliance Officer  
Equitas Small Finance Bank Ltd  
4<sup>th</sup> Floor, Spencer Plaza,  
769, Mount Road,  
Chennai-600002”

## **12. Penalty for contravention of the PIT Code**

12.1 Every Designated Person(s) shall be individually responsible for complying with the provisions of this PIT Code (including to the extent the provisions hereof are applicable to his/her dependents).

12.2 Every Designated Person(s) who trades in Securities or communicates any information for trading in Securities, in contravention of this PIT Code may be penalised and appropriate action may be taken by the Company.

12.3 Every Designated Person(s), who violates the PIT Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in employee stock option plans, etc. Any amount collected by way of penalty from Designated Person(s) for contravention of Code shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

12.4 The action by the Company shall not preclude SEBI from taking any action in case of violation of the Insider Trading Regulations.

12.5 In case it is observed by the Compliance Officer that there has been a violation of the Insider Trading Regulations, the Compliance Officer shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by SEBI from time to time.

12.6 Any contravention to the Insider Trading Regulations shall be dealt with in accordance with the Act. Penalties for contravention of provisions of the Insider Trading Regulations may be leviable by SEBI which as on the effective date of the PIT Code as per Section 15G of the Act is a penalty of at least Rs. 10,00,000/- (Rupees ten lakhs only), which may extend to Rs. 25,00,00,000 (Rupees twenty five crores only) or three times of profits made out of insider trading, whichever is higher. Further under Section 24 of the Act, any contravention of the provisions of the Act is punishable with imprisonment up to 10 years or fine up to Rs. 25,00,00,000/- (Rupees Twenty Five Crore only), or both.

### 13. Reporting of suspected violations

Employee who reports any alleged violations of insider trading laws in accordance with the Informant mechanism introduced vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019, will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination.

**Retaliation or victimisation of employee for reporting suspected violations is strictly prohibited under this policy.**

#### **Conclusion**

Every Designated Person is required to familiarize himself with the Regulations, which are attached. Designated Person are also required to ensure that their immediate relatives do not violate the Regulations / Code in letter and in spirit.

While a person may cease to be a Designated Person on retirement, resignation, etc. (and consequently would cease to be subject to this Code), he would continue to be a Connected Person for the purpose of the Regulations / Code for a period of 6 months from separation and consequently would continue to be subject to the Regulations / Code).

It is further re-iterated that the onus of providing the necessary disclosure(s)/intimation(s) shall be on the Insider, Designated Person, employee concerned and they themselves shall be personally liable to pay penalties/compensate the Company, if levied by Stock Exchanges.

If there are any queries or difficulties relating to the Regulations or this Code, please approach the Compliance Officer for assistance.

***THIS POLICY IS ONLY AN INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF EACH DESIGNATED PERSON TO ENSURE COMPLIANCE OF SEBI REGULATIONS AND GUIDELINES AND OTHER RELATED STATUTES FULLY.***

**Application for Pre-Clearance for trading in securities of the Company**

To  
The Compliance Officer  
Equitas Small Finance Bank Limited  
410A, 4<sup>th</sup> Floor, Spencer Plaza,  
Phase II, No.769,Mount road,  
Anna Salai, Chennai – 600 002

Dear Sir,

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase/sell / subscription of \_\_\_\_\_ [equity shares/securities] of the Company as per details given below:

1	Name of the Designated Person	
2	Designation	
3	Number of securities held as on date	
4	Folio No. / DP ID / Client ID No.)	
5	The proposal is for: (a) Purchase of securities (b) Subscription to securities	
6	Proposed date/period of trading in securities	
7	Estimated number of securities proposed To be acquired/subscribed/sold	
8	Price at which the transaction is proposed	
9	Current market price (as on date of application)	
10	Whether the proposed transaction will be through stock exchange or off-market deal	

I/My Immediate Relative is aware that I/We have to execute the order in respect of securities of the Company within one week from the date of approval of pre-clearance.

If the order is not executed within one week after the approval is given, I/We would have to pre-clear the transaction again.

My undertaking for the purpose of pre-clearance is furnished herein below in

Thankingyou.

\_\_\_\_\_  
(SIGNATURE)

Encl : Annexure 1

**Annexure 1**

**TO BE ACCOMPANIED WITH THE APPLICATION FOR  
PRE-CLEARANCE**

I, \_\_\_\_\_ am desirous of trading in \_\_\_\_\_ shares / securities of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished price sensitive information (as defined in the Company's Code of Conduct for Prevention of Insider Trading ("**the Code**") up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 (two) days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

I shall not engage into the reverse transaction i.e., buying/ selling of [shares/securities], within 6 months of buying/ selling respectively.

If approval is granted, I shall execute the deal within 7 (seven) days from the date of approval failing which I shall seek pre-clearance once again if I wish to trade in the securities of the Company.

I declare that I have made full and true disclosure in the matter.

Date:

Signature: \_\_\_\_\_

(\* Indicate number of shares)

**FORMAT FOR DISCLOSURE OF TRANSACTIONS UNDER PRE-CLEARANCE**

[To be submitted within 2 days of transaction/dealing in securities of the Company]

To  
The Compliance Officer  
Equitas Small Finance Bank Limited  
410A, 4<sup>th</sup> Floor, Spencer Plaza,  
Phase II, No.769,Mount road,  
Anna Salai, Chennai – 600 002

Dear Sir/Madam,

**DETAILS OF TRANSACTION**

Ref: Pre-clearance request dated .....

I hereby inform you that I / my \_\_\_\_\_ (Name of the immediate relative) have not bought/sold any shares of the Company due to the following reason(s):

\_\_\_\_\_

OR

I have bought/sold shares of the Company as mentioned below:

Name of the shareholder	No. of securities dealt with	Date of Purchase/Sale	Bought/Sold	DP Client ID / Folio No.	Price (inRs.)

I declare that the above information is correct and that no provisions of the Company’s Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

Thanking you,

Yours sincerely,

Signature :  
Name :  
Employee No. :  
Date :



## SEMI-ANNUAL DISCLOSURE OF HOLDINGS

(Pursuant to clause 11.7 of Internal Code of Conduct of Equitas Small Finance Bank Limited for prevention of Insider Trading)  
(to be furnished for the half year ended... ..)

1.	Name of the Designated Person				
2.	Director Identification Number /Employee No.				
3.	Date of declaration				
4.	Details of holdings and trading in securities of Equitas Small Finance Bank Limited:				
<b>A.</b>	<b>Details of shares held by the Designated person/ immediate relative# of the Designated person</b>				
	Particulars	Designated person	Immediate relative of the designated person		
	Opening balance as on .....	Nil	Nil		
	Add : Purchases made during the half year ended .....	Nil	Nil		
	Less : Sold during the half year ended .....	Nil	Nil		
	Total no. of shares held as on .....	Nil	Nil		
<b>B.</b>	<b>Details of purchases and sales made during the half year ended .....</b>				
	<i>Name and relationship with immediate relative</i> (Please mention self if purchase is made by Designated Person)	<i>Date of purchase</i>	<i>No. of shares</i>	<i>Price *</i>	<i>Mode of acquisition</i> (on market/public/rights/preferential offer/Off -market/Inter se transfer, ESOPs etc.)
	<i>Name and relationship with immediate relative</i> (Please mention self if sale is made by Designated Person)	<i>Date of sale</i>	<i>No. of shares</i>	<i>Price *</i>	<i>Mode of Disposal</i> (on market/public/rights/preferential offer/Off -market/Inter se transfer, ESOPs etc.)

.....  
Signature of Designated Person

\* Excluding brokerage and service tax

# Immediate relative means spouse of a person and includes parent, sibling 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.

**CODE OF CONDUCT FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (“Fair Disclosure Code”)**

- 1 This Fair Disclosure Code shall come into force from November 22, 2019 and shall be published in the official web site of the Company.
- 2 **Corporate Disclosure Policy**

To ensure timely and adequate disclosure of Unpublished Price Sensitive Information (UPSI), the policy set out in this Fair Disclosure Code shall be followed by the Company.
- 3 **Prompt disclosure of UPSI**
  - 3.1 The Company shall promptly make public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
  - 3.2 The Company may also consider uniform and universal dissemination of UPSI to avoid selective disclosure.
  - 3.3 The Company shall handle all UPSI on a ‘Need to Know’ basis and shall be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or misuse of the information.
- 4 **Overseeing and Co-ordinating disclosure**
  - 4.1 The Company shall designate an Officer as the Chief Investor Relation Officer (CIO) to deal with the dissemination of information and disclosure of UPSI.
  - 4.2 Other than information which is price sensitive in accordance with the Companies Act 2013, the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other applicable law for the time being in force, the CIO in consultation with the Managing Director / Chief Executive Officer shall decide whether an information is price sensitive or not.
  - 4.3 The CIO shall ensure that uniform disclosures are made to the Stock Exchanges promptly.
  - 4.4 The CIO shall be responsible for ensuring that the Company complies with continual disclosure requirements, overseeing and co-ordinating disclosure of UPSI to stock exchange, analysts, shareholders and media, and educating staff on disclosure policies and procedure.
  - 4.5 All information disclosure/ dissemination may normally be approved in advance by the CIO. In case information is accidentally disclosed without the prior approval of CIO, the person responsible shall immediately inform the CIO.
  - 4.6 If UPSI gets disclosed selectively, inadvertently or otherwise then such UPSI shall be promptly disseminated.

## 5 **Responding to market rumors**

- 5.1 Any queries or requests for verification of market rumours by exchanges should be forwarded immediately to the CIO who shall decide on the response/clarification.
- 5.2 The CIO shall decide whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.
- 5.3 The Company will, subject to non-disclosure obligations, aim to provide appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities.
- 5.4 As a general practice, if the rumour appears in a responsible media channel which has reasonably wide audience and rumour can have material impact on pricing of securities, then the Company would immediately make a proper announcement to present the correct position.

## 6 **Timely Reporting of shareholdings/ownership and changes in ownership**

Disclosure of shareholdings/ ownership by major shareholders and disclosure of changes in ownership as provided under any regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

## 7 **Disclosure/dissemination of UPSI with special reference to Analysts, Institutional Investors**

The Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:-

### 7.1 **Only Public information to be provided**

The Company shall provide only public information to the analyst//large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest. In no case the UPSI shall be provided.

### 7.2 **Recording of discussion and Simultaneous release of Information**

In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives be present at meetings with analysts, brokers, institutional investors and discussions should preferably recorded.

When a Company organizes meetings with analysts or other investor relations conferences, the Company shall make a press release or post relevant information on its website after every such meet.

### 7.3 **Handling of unanticipated questions**

The Company should be careful when dealing with Analysts questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

## 8 **Medium of disclosure/dissemination**

- 8.1 The Company shall ensure that disclosure to Stock Exchanges is made promptly within stipulated timelines if any.
- 8.2 Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- 8.3 The Company may also facilitate disclosure through the use of its official website.

- 8.4 The Company website may provide a means of giving investors a direct access to analyst briefing material, significant, background information and questions and answers.
- 8.5 The information filed by the Company with Stock Exchanges under continuous disclosure requirement may be made available on the Company website.

## **9 Policy for determination of Legitimate Purposes**

The Policy forms part of “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”. This Policy shall be strictly adhered to by every Insider of the Company.

### **Communication of UPSI pursuant to Legitimate Purpose**

“Legitimate Purpose” shall include sharing of UPSI in the ordinary course of business, on a need-to-know basis or for genuine business situations, to perform their duties and discharge their legal obligations, by an Insider with

- (i) Designated persons;
- (ii) Partners;
- (iii) Collaborators;
- (iv) Lenders;
- (v) Customers;
- (vi) Suppliers;
- (vii) Merchant bankers;
- (viii) Legal advisors;
- (ix) Auditors;
- (x) Insolvency professionals;
- (xi) Other advisors or consultants;
- (xii) Credit rating agencies;
- (xiii) Bankers;
- (xiv) Such other person as may be decided by the Compliance Officer from time to time;

To illustrate, procuring /sharing of information in the ordinary course of business and for meeting any regulatory requirement including for the purpose of finalisation / consolidation of accounts, valuation in connection with approved corporate restructuring including capital raising would be considered as Legitimate Purpose.

### **Conditions for sharing of UPSI**

Any person in receipt of UPSI pursuant to a “Legitimate Purpose” shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons with regard to their obligation to maintain confidentiality of such UPSI, which would inter alia include the following:-

- (i) The information shared is in the nature of UPSI.
- (ii) To maintain confidentiality of such UPSI and not to disclose such UPSI except in compliance with Insider Trading Regulations.
- (iii) Not to trade in securities of the Company while in possession of UPSI.
- (iv) Insiders shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the Insider Trading Regulations.
- (v) Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of the Company in appropriate circumstances. The person who has the UPSI should ideally recuse himself from assigned task of the sharing the UPSI with third parties in such doubtful cases to avoid any adverse inferences in this regard.

**Trading when in possession of UPSI**

When a person who has traded in securities has been in possession of UPSI, his trade(s) would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

**Maintenance of Digital Database**

The Company shall maintain a structured digital database of the persons with whom UPSI is shared, as required under the Insider Trading Regulations. The database shall inter alia contain the names of the persons or entities with whom UPSI is shared under the Insider Trading Regulations for legitimate purpose along with the Permanent Account Number (“PAN”) or any other identifier authorized by law where PAN is not available.

The said database shall be maintained internally by the Bank with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering thereof.

The Compliance Officer or Chief Investor Relation Officer shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.”

**10 Policy and Procedure for Inquiry in case of leak of UPSI or suspected leak of UPSI**

Policy and Procedure for Inquiry in case of leak of UPSI or suspected leak of UPSI is annexed and forms part of this Code.

**AMENDMENT**

Any amendment(s) made to SEBI (Prohibition of Insider Trading) Regulations, 2015 and other related Regulations shall apply mutatis mutandis to this Code.

## **POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **Preamble**

This Policy is framed with an aim to implement a structured procedure for investigation in case of leak or suspected leak of UPSI.

### **Applicability**

This policy shall apply to all Insiders and any other persons as assigned by law from time to time.

### **Process of inquiry in case of leak of UPSI or suspected leak of UPSI**

1. Complaint (written or oral or electronic) regarding a leak or suspected leak of UPSI may be received by the Company from the following sources:

#### **a. Internal:**

- i. Whistleblower as per the process indicated in the Whistleblower Policy;
- ii. Any leak or suspected leak of UPSI detected through the internal controls implemented by the Company.

**b. External:** Registrar and Share Transfer Agent, Depository, Stock Exchange, Regional Director, Registrar of Companies, regulatory / statutory authority or any other department of Central or State Government based on the complaint received from a whistleblower (above shall be collectively referred to as "Complaint(s)")

2. The Compliance Officer shall report the Complaint to the Audit Committee within a reasonable time from the date of receipt of the Complaint;

3. The Audit Committee shall review the Complaint and shall discuss with the Compliance Officer on potential next steps including but not limited to seek additional information to consider an investigation, disclosure requirements to the regulatory authorities, appointment of an investigation panel consisting of internal employees or external agencies. If the Complaint implicates the Compliance Officer, then he/she shall recuse himself/herself from the said inquiry process;

4. If the Audit Committee mandates an investigation, then an investigation shall be conducted into the Complaint(s) and the findings presented to the Audit Committee;

5. Based on the findings, the Audit Committee shall put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review/deliberations, shall decide on the next steps;

6. If an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with the said inquiry.

<b>Author of the Policy</b>	<b>Secretarial</b>
<b>Reviewer of the Policy</b>	<b>Compliance</b>
<b>Name of the Committee which recommended to the Policy Formulation Committee of the Board</b>	<b>Executive Policy Formulation Committee</b>
<b>Date of Board approval</b>	28-Jan-22
<b>Date of next review</b>	28-Jan-23