

# **KERALA INFRASTRUCTURE FUND MANAGEMENT LIMITED**

## **POLICY ON FAIR PRACTICE CODE**

**JUNE 2023**



Policy	Policy on Fair Practice Code	Version: 1.0
<b>Reference:</b>  <b>KIFML :</b>	<b>Effective date:</b>  <b>Approved by:</b>	

**Revision History**

Base Version	Release date	Rationale for change	Summary changes	of	Updated by	Approved by
1.0						
1.1						
1.2						

## 1. PREAMBLE

Kerala Infrastructure Fund Management Limited (KIFML), a Company, incorporated under the Companies Act, 2013, is Asset Management Company primarily engaged in management of Alternate Investment Funds. The policy is pursuant to the the Securities and Exchange Board of India (SEBI) has framed the SEBI (Prohibition of Insider Trading) Regulations, 2015 that aims at governing the pathway for monitoring trading activities by the Designated Persons and immediate relatives of Designated Persons and requires the Board of Directors to formulate a Code of Conduct to regulate, monitor and report trading by its Designated persons towards achieving compliance with the Regulations, adopting minimum standards set out in the Regulations, without diluting the provisions of the Regulations in any manner.

## 2. OBJECTIVE

The objective of the Policy is to lay down guidelines to be adhered to by Access and Non-access employees (hereinafter collectively called as Employees) of KIFML or the Funds for which KIFML acts as Investment Manager. Though the BOD and the Investment Committee may have their own set of Guidelines which cover these areas, the Restricted List would be shared with them periodically & a negative reporting would be obtained on a Yearly basis (as per Annexure 2).

## 3. APPLICABILITY

The Manual applies to both Access and Non-access Employees of Kerala Infrastructure Fund Management Limited.

## 4. ACCESS EMPLOYEES.

Those Employees & Consultants who act as Directors, Fund Managers, Project Managers and as part of Deal Team and the Heads of Departments are considered as Access Employees. Any employees regardless of level, if they have access to Price Sensitive Information are also considered as Access Employee.

## 5. NON-ACCESS EMPLOYEES

Non-access Employees & full-time outsourced personnel are those who form part of Administration, Human Resources and Investor servicing functions who does not have access to Price Sensitive Information

## 6. NEED FOR POLICY

SEBI has observed that Insider Trading Regulations shall be applicable in case of investment by employees of AIF or asset management companies in units of AIF schemes, which invest in listed as well as unlisted securities, it also applicable to individuals' possession of or having access to unpublished price sensitive information (UPSI).

Hence, the Prohibition of Insider Trading (PIT) Regulations are applicable to the Trustees, Directors, Investment Managers, their employees and Members of Investment Committees of an AIF. SEBI's clarification further added that these entities are required to adhere to the PIT Regulations, especially

for the purpose of dealing/trading in securities, as AIF schemes can invest in both the listed and unlisted securities and such securities are amenable for insider trading.

## 7. POLICY

The Insider Trading Policy (hereinafter referred to as 'The POLICY') govern the personal securities transactions of All Employees are for information and compliance. The POLICY coverage extends to a "Dependent Relative" of the Employee, which term shall include spouse and minor children of the Employee, any Relative of the Employee, including major children, if financially dependent on such Employee and others whose investment decisions are influenced/controlled by the Employee.

## 8. PRICE SENSITIVE INFORMATION

For the purpose of the policy, price sensitive information shall mean any information, which relates directly or indirectly to a company or its Associates and which if published is likely to materially affect the price of securities of the company, in which any Fund managed by KIFML s likely to invest.

Unpublished price sensitive information, as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- changes in key managerial personnel; and
- such other information as determined by the Board of Directors/ Managing Director /Compliance Officer from time to time.

## 9. PROHIBITION ON INSIDER TRADING

Employees shall not use price sensitive information to deal in securities in any manner, whether for their own, or for their dependent relatives or KIFML's account or for any similar purpose. Any disclosure of price sensitive information by Employees to any person shall be strictly on a "need-to-know" basis.

## 10.COMPLIANCE TEAM

The Board shall appoint a Compliance Officer to ensure compliance and for effective implementation of the Regulations and this Policy. The Compliance Officer shall report to the Board of the Company. The Compliance Officer and his/her team shall be responsible for:

- Prevention of insider trading,
- Monitoring of Employees' personal trades and
- Implementation of the policy.

The Compliance Officer shall assist all Employees in addressing any clarifications regarding the Regulations and this Policy. The Compliance Officer shall place status reports before the Board, detailing

Trading in the Securities by the Employees or their dependent relatives along with the documents that such persons had executed (Annexure 1) in accordance with procedure prescribed under this policy on a quarterly basis. The Compliance Officer shall use the restricted trading list as the basis for approving or rejecting applications for pre-trading.

## 11. RESTRICTED TRADING LISTS

- The Compliance Team shall maintain a list of companies, constituting the 'Restricted Trading List'.
- The Project Management and Deal Teams shall recommend 'Grey List' of Companies which are to be included in the Restricted List at the time of a project being referred to Investment Committee at Level 1.
- As the 'Restricted Transaction List' itself is highly confidential information, it shall not be communicated directly, indirectly, to anyone outside KIFML for statutory requirements.
- No Employee is permitted to trade in any of the Securities which form part of Restricted List.
- However, in exceptional circumstances, if any transaction in the securities forming part of Restricted List shall be done subject to the prior written approval from the Compliance Officer (Refer Annexure 1)
- Employees who have entered into agreement with the Portfolio Manager/s registered with SEBI, regarding investment of their securities on a discretionary basis, need not take prior approval for investment of such securities by Portfolio Managers, even if such securities come under RTL. However, such Employees shall report all such transactions carried out by Portfolio Manager/s on their behalf, as per conditions stipulated herewith. Such exemption is not available for agreement with Portfolio Manager/s on non-discretionary basis.

## 12. REPORTING / DECLARATION REQUIREMENTS

- All Employees shall be required to submit a statement of their transactions in Restricted List of securities on a quarterly basis to Compliance Officer in a format as given in Annexure 2. In case of no transaction, a 'NIL' report shall be submitted.
- Compliance Team shall maintain records of all such declarations and approvals given for a minimum period of eight years.

## 13. PENALTIES FOR NON-ADHERENCE TO THE POLICY / INSIDER TRADING

### Penalty

- Any Employee who trades in securities or communicates any information in contravention of the Policy may be penalized by KIFML. Such penalty may include wage freeze, suspension, and/or ineligibility for future participation in ESOPs etc., as may be decided by the Management on a case-to-case basis.
- KIFML may cause an Employee who has violated any provision of the Policy to disgorge profits made or likely to have been made

### Information

In case it is observed that there has been a violation of the Regulations, the Compliance Officer/ KIFML may intimate SEBI of the same and are subject to action under SEBI Act. This Policy may be amended or replaced from time to time, and such amended or replaced Policy shall immediately apply to all Employees, their dependent relatives and HUF where the Employee is a member

## 14. FAIR PRACTICE CODE

The Board of Directors and Management believe that transparency in disclosing the requisite information to the public is the cornerstone of better corporate governance. It will thrive to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders in the Company.

Towards achieving this objective, the Board of Directors had formulated the following norms to be adhered for fair disclosure of unpublished price sensitive information.

- Ensure prompt public disclosure of Unpublished Price Sensitive Information ("UPSI") that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. to make the information accessible to the public on a non-discriminatory basis.
- Ensure Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure and make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- Ensure that information shared with analysts and research personnel, if any, is not unpublished price sensitive information.
- Handle all unpublished price sensitive information on a need-to-know basis.
- In cases where sharing of relevant UPSI is mandatory for performance of duties or discharge of legal obligations, the employee sharing the UPSI shall assess the need to share UPSI such as the reason and requirement for sharing the information. This shall be recorded and forwarded to the Compliance Officer along with the mandate/ obligation for updating in the database maintained by Compliance Officer.

Compliance Officer is authorised to deal with dissemination of information and disclosure of unpublished price sensitive information. The Compliance Officer shall also be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of price sensitive information to analysts, shareholders and media, and educating staff on disclosure policies and procedures.

If the information is accidentally disclosed without prior approval, the person responsible must inform the Compliance Officer immediately, even if the information is not considered price sensitive and if required, the Compliance Officer shall take all reasonable steps to rectify the same.

The Fair Practices Code shall be reviewed by the Board of Directors as part of the annual review of the policies or earlier if any changes deemed necessary with the approval of the Board of Directors.

**ANNEXURE 1: REQUISITION FOR APPROVAL OF TRANSACTIONS IN RESTRICTED  
FOR ACCESS & NON -ACCESS EMPLOYEES**

**LIST OF SECURITIES**

Date:

Name of the Employee:

Name of Depository:

<b>Sl. No.</b>	<b>Name of the Proposed Investor</b>	<b>Relation</b>	<b>Company/Scheme/ Plan</b>	<b>Nature of Instrument</b>	<b>Quantity</b>
1.					
2.					
3.					
4.					
5.					

I hereby undertake that I do not have any access to and have not received any price sensitive information up to the time of making this requisition;

I also undertake that in the event that I gain access to or receive any price sensitive information regarding securities in respect of which approval for transaction is sought, subsequent to making this requisition but prior to executing the transaction, I shall immediately and without delay inform the Approving Authorities of the same and shall completely refrain from dealing in such securities till the time such information ceases to be undisclosed Price Sensitive Information.

I declare that by entering into the transactions in respect of which approval is sought, I am not indulging in front running or self-dealing.

I also declare that I have not contravened the requirements of the POLICY.

I finally declare that I have made a full and complete disclosure while making this requisition.

Place:

\_\_\_\_\_



(Signature)

Date:

**APPROVED/NOT APPROVED**

COMPLIANCE OFFICER



## ANNEXURE 2: FOR ACCESS & NON -ACCESS EMPLOYEES/OTHERS

QUARTERLY/YEARLY DECLARATION OF TRANSACTION IN SECURITIES FORMING PART OF  
RESTRICTED LIST

FOR THE QUARTER/YEAR ENDED.....

Name of the Employee/OTHERS:

Type of Security	Name of Company/Mutual Fund and Scheme/Plan	Quantity	Market Value*	Date of Acquisition

\* Market Value is not a mandatory field in case quantity has been provided.

I hereby certify the above is/as correct and complete.

I also certify that the above is inclusive of all holdings, single and joint:

- in my name or in my capacity as member of HUF;
- in the name of my dependent relatives.

List of Dependent Relatives:



<b>Name of Dependent relative</b>	<b>Relation with the employee/OTHERS</b>

Signature of Employee/OTHERS

Date:

**ANNEXURE 3: DECLARATION OF NON-SHAREHOLDERS  
FOR ACCESS & NON -ACCESS EMPLOYEES**

Date:

To [Name of Company]

Address of Company.

Subject: Declaration regarding Non-Ownership of shares in [Name of Company] (the Company),

I hereby declare that I do not hold any shares of [Name of Company] for the period April 2023-March 2024 (Indian Fiscal Year).

Thanking you.

Yours faithfully,

Employee Name,

Employee ID

End of document