

HEDGE EQUITIES LIMITED

*Code of Internal Procedures and conduct for Regulating, Monitoring and Reporting of
Trading by Insiders*

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1. Preamble

Hedge Equities Limited (the “Company”) is a Public Company registered under SEBI (Portfolio Managers) Regulations, 2020 having SEBI Reg No: INP000003476 and SEBI (Research Analysts) Regulations, 2014 having SEBI Reg No: INH000004398.

The Board of Directors of the Company have adopted this Insider Trading Policy (the "Policy") pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("SEBI PIT Regulations").

Unpublished Price Sensitive Information (UPSI) means any information, which relates directly or indirectly, to the Company or its securities, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company.

Generally available information means information that is accessible to the public on a non-discriminatory basis.

The objective of this Policy is to regulate, monitor, and report trading by Insiders and to ensure fair disclosure of Unpublished Price Sensitive Information (UPSI).

The Company is committed to conducting its business with the highest standards of integrity, ethics, and in full compliance with all applicable laws and regulations, including those governing insider trading. This Policy aims to prevent the misuse of UPSI and to maintain the confidentiality of such information.

2. Definitions

Unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

- **Act:** means the Securities and Exchange Board of India Act, 1992 as may be amended from time to time.
- **Board:** means the Board of Directors of the Company.
- **Compliance Officer:** means any senior officer, designated so and reporting to the board of directors, who are financially literate and are having sufficient knowledge on requirements of legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the company or the head of an organization, as the case may be.

- **Connected Person:** means any person who is or has been, during the six months prior to the concerned act, associated with a 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 a person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.

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:

- Relative of Connected Persons specified above; or
- A holding company or associate company or subsidiary company; or
- An intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- An investment company, trustee company, asset management company or an employee or director thereof; or
- An official of a stock exchange or of clearing house or corporation; or
- 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
- 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
- An official or an employee of a self-regulatory organization recognized or authorized by SEBI; or
- A banker of the company; or
- 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.
- A firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);
- **Designated Persons:** Shall include:
 - All Promoters of the Company
 - Members of the Board of Directors of the Company including executive or non-executive or independent or nominee directors;
 - Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Company Secretary (CS) of the Company;

- Senior Manager and above of the Finance & Accounts, MIS, Corporate Communication, IT, Legal and Secretarial Departments of the Company and its material subsidiaries;
 - All employees in the Investment, Research, Compliance, and Finance departments of the Company;
 - Any other employee, as may be determined by the Compliance Officer from time to time, who may have access to UPSI;
 - Immediate Relatives of all the above.
- **Generally Available Information:** Means information that is accessible to the public on a non-discriminatory basis.
- **Relative:** shall mean the following:
 - (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)
- **Insider:** Means any person who is:
 - a Connected Person; or
 - in possession of or having access to UPSI including a person having access to such information by virtue of a legitimate purpose.
- **Portfolio Manager:** Means any person who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or funds of the client, as the case may be.
- **Research Analyst:** Means a person who is primarily responsible for:
 - preparation or publication of the content of the research report; or
 - providing research report; or
 - making 'buy/sell/hold' recommendation; or
 - giving price target; or
 - offering an opinion concerning securities or public offer, and who is registered with SEBI as a Research Analyst.
- **Securities:** Shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof, except units of a mutual fund.
- **Trading:** Means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- **Trading Window:** Shall refer to the period during which trading in securities is permitted.
- **Unpublished Price Sensitive Information (UPSI):** 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.

3. Preservation of confidentiality of "Unpublished Price Sensitive Information"

- **Need to Know:** All information shall be handled within the Company on a "need to know" basis and no UPSI shall be communicated to any person except on furtherance of legitimate purposes, performance of duties or discharge of legal obligations. This means that UPSI should be disclosed only to those within the Company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- **NDA:** Board shall require the parties to execute agreement to contract confidentiality and non-disclosure 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 UPSI.
- **Limited Access to Confidential Information:** Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted/destroyed after their use. Shredder should be used for the destruction of physical files.
- **Chinese Wall:** To prevent the misuse of UPSI, the Company shall endeavor to separate those areas of the Company that routinely have access to UPSI ("Inside Areas") from those areas that do not ("Public Areas").
 - Designated Persons in the Inside Areas shall not communicate any UPSI to anyone in Public Areas, except on a "need to know" basis and in furtherance of Legitimate Purpose.
 - In exceptional circumstances, employees from the Public Areas may be brought "over the wall" and given confidential information on a "need to know" basis, subject to appropriate confidentiality undertakings.

4. Prohibition on Communication or Procurement of UPSI

- No Insider shall communicate, provide, or allow access to any UPSI, relating to a company or securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

- No person shall procure from or cause the communication by any Insider of UPSI, relating to a company or securities listed or proposed to be listed, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
- Any person in receipt of UPSI pursuant to a “Legitimate Purpose” shall be considered an “Insider” for purposes of this Policy and the SEBI PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these Regulations.

5. Prohibition on Insider Trading

- No Insider shall Trade in Securities that are listed or proposed to be listed when in possession of UPSI.
- When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.
- The prohibition on trading when in possession of UPSI shall also apply to trading in units of mutual funds or alternative investment funds where the fund manager or investment manager is in possession of UPSI regarding the underlying securities in the fund's portfolio.
- No Designated Person shall advise or tip any third party on trading in Securities while in possession of UPSI.
- The restriction mentioned above may not apply to:
 - an off-market inter-se transfer between Insiders who were in possession of the same UPSI without being in breach of Regulation 3 of the SEBI PIT Regulations and both parties had made a conscious and informed trade decision;
 - trades pursuant to a Trading Plan set up in accordance with this Policy and SEBI PIT Regulations;
 - trading on account of exercising of stock options in respect of which the exercise price was pre-determined and such options were exercised while not in possession of UPSI.

6. Trading Window

- An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out in accordance with such plan.
- The Compliance Officer shall intimate the closure of trading window to all Designated employees of the Company when he determines that a designated person can reasonably be expected to have possession of UPSI.
- The Trading Window shall remain closed, ordinarily, from the end of every quarter until 48 hours after the declaration of financial results. Trading window for events other than financial results shall be closed for the period as may be determined by the Compliance Officer of the Company from time to time.

- During the period when the Trading Window is closed, Designated Persons and their Immediate Relatives shall not Trade in any Securities.
- 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.

7. Pre-clearance of Trades

- 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.
- All Designated Persons, who intend to trade in Securities (either in their own name or in the name of their Immediate Relatives) when the Trading Window is open, shall obtain a pre-clearance from the Compliance Officer if the value of the proposed trade, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lakhs (Rupees Ten Lakhs Only) or such other value as may be specified by SEBI from time to time.
- The application for pre-clearance shall be made in the format prescribed by the Compliance Officer.
- The Compliance Officer shall review the application and grant or reject pre-clearance within two working days.
- Pre-clearance shall not be required for:
 - Trades executed as per a duly approved Trading Plan.
 - Off-market inter-se transfers between Insiders who are in possession of the same UPSI and have complied with the requirements of the SEBI PIT Regulations.
- Upon receipt of pre-clearance, the Designated Person shall execute the trade within seven trading days. If the trade is not executed within seven trading days, a fresh pre-clearance will be required.
- Designated Persons who have obtained pre-clearance shall report the details of the trade (or decision not to trade) in the prescribed format to the Compliance Officer within two working days of the execution of the trade or the expiry of the seven-day period.

8. Disclosures

8.1 Initial Disclosures:

- Every Designated Person shall disclose to the Company the names and Permanent Account Number (PAN) or any other identifier authorized by law of the following persons:
 - himself, his Immediate Relatives;
 - persons with whom he shares a material financial relationship;
 - Phone, mobile and cell numbers which are used by them;

- Companies in which such person has an interest. This disclosure shall be made within 30 days of this Policy coming into effect or within 7 days of becoming a Designated Person.

8.2 Continual Disclosures:

- Every Designated Person shall disclose to the Company the number of Securities acquired or disposed of within 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 Lakhs (Rupees Ten Lakhs Only).

8.3 Annual Disclosures:

- Every Designated Person shall provide an annual statement of all holdings in Securities (including those of Immediate Relatives) to the Compliance Officer within 30 days of the close of each financial year.

8.4 Disclosures by other Connected Persons:

- The Compliance Officer may require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities as and when he deems fit.

9. Institutional Mechanism for Prevention of Insider Trading

- The Board of Directors shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.
- The internal controls shall include:
 - All employees who have access to UPSI are identified as Designated Persons.
 - All UPSI shall be identified and its confidentiality maintained.
 - Adequate restrictions shall be placed on communication or procurement of UPSI.
 - Lists of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice be served to all such employees and persons.
 - All other relevant requirements specified under these regulations are complied with.
 - Periodic reviews of the internal controls are conducted to evaluate their effectiveness.
- The Board shall ensure that the Chief Executive Officer or Managing Director or such other analogous person of the Company formulate a policy for determination of

"legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" and review it at least once in a financial year.

- The Board shall ensure that a structured digital database is maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared along with the Permanent Account Number or any other identifier authorized by law where the same is not available. Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

10. Role of Compliance Officer

The Compliance Officer shall be responsible for:

- Ensuring compliance with the Policy and the SEBI PIT Regulations.
- Maintaining records of Designated Persons and their Immediate Relatives.
- Approving and monitoring Trading Plans in consultation with the Board of Directors.
- Granting or rejecting pre-clearance applications.
- Investigating any suspected instances of insider trading.
- Reporting to the Board of Directors and, in particular, to the Chairman of the Audit Committee (if any), or to the Chairman of the Board, at such frequency as may be stipulated by the Board, but not less than once in a financial year.
- Providing clarifications regarding the Policy and the SEBI PIT Regulations.

11. Penalties for Contravention

- Any Designated Person who violates this Policy shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- In addition to the disciplinary action by the Company, Insiders who violate the SEBI PIT Regulations are liable for penal action by SEBI, which may include monetary penalties, disgorgement of profits, and imprisonment.
- The action by the Company shall not preclude SEBI from taking any action as per the provisions of the Act and SEBI PIT Regulations.

12. Whistle Blower Policy

The Company shall have a Whistle Blower Policy to enable employees to report instances of leak of UPSI or suspected insider trading activities, without fear of retaliation.

13. Review and Amendment



This Policy shall be reviewed periodically by the Board of Directors and may be amended from time to time in accordance with the SEBI PIT Regulations and other applicable laws. Any changes to this Policy shall be promptly communicated to all concerned persons.

14. Communication of Policy

This Policy shall be communicated to all Designated Persons and other relevant employees and shall be made available on the Company's internal portal/website.

*******End of Document*******

