



**ESCORP  
ASSET MANAGEMENT**

**POLICY FOR DETERMINATION OF  
LEGITIMATE PURPOSES**

*[Under Regulation 3(2A) r/w Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

**ESCORP ASSET MANAGEMENT LIMITED**

### **SIGNATORIES**

<b>Version</b>	<b>Prepared by</b>	<b>Reviewed by</b>	<b>Confirmed by</b>	<b>Approved by</b>
1.0	<b>Mr. Deepesh Jain</b> Company Secretary	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
2.0	<b>Mr. Deepesh Jain</b> Company Secretary	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
3.0	<b>Gunjan Kataruka</b> Company Secretary	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
4.0	<b>Chaitali Pansari</b> Company Secretary	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
5.0	<b>Chaitali Pansari</b> Company Secretary	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
6.0	<b>Chaitali Pansari</b> Company Secretary	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
7.0	<b>Ms. Anjali Gorsia</b> Chief Regulatory Officer	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors
8.0	<b>Ms. Anjali Gorsia</b> Chief Regulatory Officer	<b>Mr. Shripal Shah</b> Executive Director & Chief Financial Officer	Audit Committee	Board of Directors

## VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	11/04/2017	Policy for Determination of Legitimate Purposes	Adoption of New policy
2.0	28/05/2019	Policy for Determination of Legitimate Purposes	Annual Review
3.0	30/07/2020	Policy for Determination of Legitimate Purposes	Annual Review
4.0	10/05/2021	Policy for Determination of Legitimate Purposes	Annual Review
5.0	27/05/2022	Policy for Determination of Legitimate Purposes	Annual Review
6.0	26/05/2023	Policy for Determination of Legitimate Purposes	Annual Review
7.0	15/01/2025	Policy for Determination of Legitimate Purposes	Annual Review
8.0	29/04/2025	Policy for Determination of Legitimate Purposes	Annual Review

## 1. Introduction:

- 1.1 The Securities and Exchange Board of India (the “**SEBI**”) is a body established under the Securities and Exchange Board of India Act, 1992, as amended (the “**SEBI Act**”) to regulate the securities market in India. Sections 12A (d) and (e) of the SEBI Act prohibits persons from, directly or indirectly engaging in insider trading or dealing in securities while in possession of material or non-public information or communicating such material or non-public information to any person, in any manner which is in contravention of the SEBI Act or the regulations made thereunder.
- 1.2 Escorp Asset Management Limited (“**Company**”) is also required to comply with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “**Insider Trading Regulations**”). Regulation 3(2A) read with Regulation 8 of the Insider Trading Regulations requires the board of directors of every company whose securities are listed on the stock exchange (such as the Company) to have a policy for determination of “legitimate purposes” for communication and procurement of UPSI, as a part of the “Codes of Fair Disclosure and Conduct” formulated under Regulation 8 read with Schedule A of the Insider Trading Regulations.

## 2. Purpose:

- 2.1 The objective of the Policy for Determination of Legitimate Purposes (“**Policy**”) is to establish guidelines for sharing or obtaining Unpublished Price Sensitive Information (“**UPSI**”) in exceptional cases, such as for fulfilling legal obligations or official duties. Additionally, the Policy aims to enhance awareness and minimize the risk of Insiders breaching SEBI regulations

## 3. Applicability of this Policy:

- 3.1 This Policy applies to all Insiders of the Company, and includes any person who is, (a) a Connected Person, and/ or (b) in possession of or having access to UPSI.

## 4. Definitions:

The terms not defined in this Policy shall have the meanings assigned to them under the Insider Trading Regulations, the SEBI Act, or the Companies Act, 2013, along with their applicable rules and regulations.

- 4.1 ‘**Connected Person**’ means,
  - i. any person who is, or has, during the six months prior to the concerned act been associated with a company, directly or indirectly. Such association may be in any capacity including (i) frequent communication with its officers, (ii) any contractual, fiduciary or employment relationship, (iii) director, officer or an employee of the Company, (iv) holding any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows him/her, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
  - ii. the term „**Connected Person**“ shall be deemed to include the following, unless the contrary is established: Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
    - (a) relative of connected persons specified in clause (i); or
    - (b) a holding company or associate company or subsidiary company; or
    - (c) an intermediary as specified in section 12 of the Actor an employee or director

thereof; or

(d) an investment company, trustee company, asset management company or an employee or director thereof; or

(e) an official of a stock exchange or of clearing house or corporation; or

(f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

(g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or

(h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or

(i) a banker of the company;

(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten percent of the holding or interest;

(k) 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

(l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);

4.2 **‘Insider’** means any person who is (i) a Connected Person; or (ii) in possession of or having access to UPSI.

4.3 **‘Legitimate Purpose’** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with Trustees, Registrars and Share Transfer Agents, Custodians, Valuation Agencies, Fund Accountants, Association of Mutual funds of India, Credit Rating Agencies, legal advisors, auditors or other advisors or consultants, except where such sharing has been carried out to evade or circumvent the prohibitions of these regulations.

4.4 **‘Need to Know Basis’** shall mean that UPSI should only be ‘disclosed to’ or ‘procured by’ such persons who need to share or need access to the UPSI in furtherance of Legitimate Purposes or performance of duties or legal obligations and whose possession of such UPSI will not give rise to a conflict of interest or amount to the misuse of such UPSI.

4.5 **“Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to the 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:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting’s, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions
- v. changes in key managerial personnel; other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor
- vi. change in rating(s), other than ESG rating(s);
- vii. fund raising proposed to be undertaken;
- viii. agreements, by whatever name called, which may impact the management or control of the company

- ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- x. resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
- xi. admission of winding-up petition filed by any party /creditors and admission of initiation application by the Tribunal filed by the corporate applicant or financial creditors for of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016
- xii. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/siphoning or diversion of funds and receipt of final forensic audit report
- xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the company
- xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

## **5. Obligations under the Policy:**

- 5.1 No Insider shall share, provide access to, or otherwise communicate any Unpublished Price Sensitive Information (UPSI) related to the Company, its clients, or any other company or securities listed or intended to be listed, with any person, including other Insiders, except when such communication is necessary for Legitimate Purposes, the performance of duties, or compliance with legal obligations.

Similarly, no person shall solicit, induce, or cause an Insider to disclose UPSI related to the Company, its clients, or any securities listed or intended to be listed, except for Legitimate Purposes, in the performance of duties, or to comply with legal obligations. Any such disclosure must be expressly approved in writing by the Compliance Officer.

- 5.2 UPSI can only be shared on a Need-to-Know Basis and for Legitimate Purposes and not to circumvent the prohibitions of the Insider Trading Regulations, this Policy and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- 5.3 The determination of whether sharing of UPSI amounts to a Legitimate Purpose is a subjective assessment and would depend on the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing the UPSI:
- a) whether sharing of such UPSI is in the ordinary course of business of the Company;
  - b) whether sharing of such UPSI is in the interests of the Company or in furtherance of a genuine commercial purpose and necessary to be shared in order to complete any task/ activity/ deal; and
  - c) whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.
- 5.4 Any person in receipt of UPSI pursuant to a Legitimate Purpose shall be considered as an Insider for the purpose of the Insider Trading Regulations and due notice shall be given to such person to *inter alia*:

- a) maintain confidentiality of such UPSI, and not disclose such UPSI in any manner except in compliance with the Insider Trading Regulations;
- b) not trade in the securities of the Company and/or its clients while in possession of the UPSI.

A structured digital database of the providers and recipients of UPSI, and the nature of UPSI, shall be maintained by the Compliance officer in compliance with the requirements of the Insider Trading Regulations and in accordance with SEBI Applicable provisions.

The database shall be maintained with adequate internal controls and checks, such as time stamping and audit trails, to ensure non-tampering of the database, and shall be kept confidential. Towards this, the Compliance Officer may request and collect (i) the names of the provider and recipient(s) of the UPSI, (ii) the Permanent Account Number (PAN), or the equivalent identification proof authorized under law, and such other information as may be required to be obtained under the Insider Trading Regulations.

Further, such database shall be maintained by the Company for a period of not less than 8 (eight) years, or as otherwise required under the Insider Trading Regulations. However, in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

## **6. Process for sharing UPSI:**

Insiders shall follow the below steps while sharing UPSI:

Step 1: An Insider must ensure that sharing UPSI is for a Legitimate Purpose under this Policy.

Step 2: The recipient(s) must be identified, and prior approval must be obtained from the Compliance Officer.

Step 3: Upon approval, the recipient must be informed that the information is UPSI, maintain confidentiality, and, if required, sign a non-disclosure agreement.

Step 4: Insiders may share UPSI only by way of (a) official Company email (and address it directly to the recipient), (b) hard copy, (c) approved electronic mode or device or (d) Controlled access with acknowledgment.

Step 5: The provider and recipient must submit their details, including name and PAN (or an alternative ID), to the Compliance Officer for record-keeping.

## **7. Penalty for contravention of this Policy**

7.1 Any Insider who comes to know of a violation of this Policy should immediately report the violation to the Compliance Officer for appropriate legal and/or disciplinary action.

7.2 The Company may take legal and/or disciplinary action against such Insider who holds or shares or procures UPSI in contravention of this Policy. Such action may include wage freeze, levy of penalty(ies), suspension and/ or termination, *et cetera*. A penalty (which excludes penalty that may be levied by SEBI, for violation of applicable laws/ regulations), may be levied by the Company at its discretion on case to case basis, for each violation of the Policy. Any amount collected by the Company under this clause shall be remitted to SEBI for credit to the Investor Protection and Education Fund

administered by SEBI under the SEBI Act, 1992.

7.3 Any action by the Company does not preclude the SEBI or any other regulatory authority, or any court, from initiating action against such Insider, in the event of violation of the Insider Trading Regulations. In case it is observed that there has been a violation of this Policy, the Company shall inform the stock exchanges promptly in the form and manner prescribed by SEBI.

## **8. Amendment to the Policy**

8.1 The Company may make amend this Policy from time to time as may be considered appropriate.

8.2 In the event any provision of this Policy conflicts with any law, rules or regulations, such law, rules or regulations shall precede over such conflicting provision.