



## **Utkarsh Small Finance Bank**

**Code of Conduct for Prohibition of Insider Trading and Code of Fair Disclosure and Conduct**

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## SCOPE AND PURPOSE

In terms of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, (hereinafter referred to as the “**PIT Regulations**”) the Board of Directors (“the **Board**”) of Utkarsh Small Finance Bank Limited (the “**Bank**”) has adopted this Code of Conduct for Prohibition of Insider Trading and Code of Fair Disclosure and Conduct (hereinafter referred to as the “**Code**”) to regulate, monitor & report the trading of Securities (*as defined herein*) of the Bank by Designated Persons and their Immediate Relatives to ensure compliance with the PIT Regulations.

### 1. EFFECTIVE AND APPLICABILITY

This Code shall be effective from the date it is adopted by the Board and is applicable to all Designated Persons and their Immediate Relatives.

### 2. DEFINITIONS

“**Compliance Officer**” means the officer as designated by the Bank in accordance with the PIT Regulations.

“**Connected Person**” shall have the same meaning as ascribed to it under Regulation 2(1)(d) of the PIT Regulations.

“**Designated Persons**” shall cover the following:

- a. all directors, whether executive, non-executive or independent, of the Bank;
- b. Key Managerial Personnels (KMP) of the Bank as per section 2 (51) of the Companies Act, 2013, as amended from time to time;
- c. Chief Executive Officer and all employees upto two levels below Chief Executive Officer irrespective of their functional role in the Bank or their ability to have access to Unpublished Price Sensitive Information;
- d. all functional heads and unit heads who are members of the Executive Committee of the Bank irrespective of their grade;
- e. executive assistants to Whole Time Directors and KMPs;
- f. all staff members attached to managing director’s office;
- g. promoter of the Bank;
- h. directors & KMPs of the promoter of the Bank;
- i. such support staff including IT staff or secretarial staff who may have access to Unpublished Price Sensitive Information; and
- j. such employees of the Bank who may be designated as such on the basis of their functional role in the Bank (including but not limited to employees in the finance, accounts, legal, funds management department of the Bank) or are reasonably expected to have access to Unpublished Price Sensitive Information relating to the Bank; as may be decided by the Board in consultation with the Compliance Officer, from time to time.

“**Immediate Relative**” shall mean a spouse of a person, and includes parents, siblings, and children 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.

**"Insider"** shall mean any person who is:

- a. Connected Person; or
- b. in possession of or having access to Unpublished Price Sensitive Information.

**"Legitimate Purposes"** includes sharing of Unpublished Price Sensitive Information in the ordinary course of business by a Designated Person with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT Regulations. It shall also include such other purpose as determined on a case-to-case basis by the Compliance Officer in consultation with the Board, subject to compliance with applicable laws.

**"Promoter and Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

**"Securities"** includes the securities of the Bank and shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.

**"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

**"SEBI Act"** means the Securities and Exchange Board of India Act, 1992, as amended.

**"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and shall also include creation/invocation/revocation of pledge and "trade" shall be construed accordingly. Trading by way of 'gift' shall also be considered as trading for the purposes of this Code;

**"Trading day"** means a day on which the recognized stock exchange are open for trading.

**"Unpublished Price Sensitive Information" or "UPSI"** means any information, relating to the Bank, 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 include but not be restricted to information relating to:

- a. financial results;
- b. dividends;
- c. changes in capital structure;
- d. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- e. changes in key managerial personnel.

All the other terms used in this Code shall have the same meaning as assigned to them under the SEBI Act or the PIT Regulations.

### **3. COMPLIANCE OFFICER**

Unless otherwise designated by the Board, the Company Secretary of the Bank shall be the Compliance Officer for the purpose of this Code. Subject to prior consent of the Board, the Compliance Officer can delegate his/her authority to any other officer of the Bank eligible to act as a Compliance Officer, as stated in the Policy herein and under the PIT Regulations, in the event the Compliance Officer is on leave or is away from his/her regularly seated office of the Bank for a period of 7 days or more.

If the office of the Compliance Officer falls vacant, the Managing Director or such other senior officer of the Bank designated by the Managing Director shall, in the interim period, act as the Compliance Officer, till the time of appointment of a successor.

Following are the responsibilities of the Compliance Officer:

- a. Shall be responsible for administering this Code and ensure compliance with the PIT Regulations.
- b. Shall report to the Board or its committee thereof and in particular, shall provide reports 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 or its Committee thereof, but not less than once in a year.
- c. The Compliance Officer along with the Board shall ensure the confidentiality, integrity and security of data and logs pertaining to the Bank and also ensure compliance with the laws, regulations, circulars, FAQs etc., issued by SEBI or the stock exchanges from time to time.
- d. Shall assist all the employees and the Designated Persons in addressing any clarifications regarding the PIT Regulations and this Code.
- e. Shall assist the Board in identifying the Designated Person to be covered by this Code on the basis of their role and function in the Bank, including but not limited to employees functioning in the finance, accounts, legal, funds management department of the Bank and the access that such role and function would provide to UPSI in addition to seniority and professional designation.
- f. Shall review the trading plan in order to assess if the plan can result in violation(s) of the PIT Regulations and shall seek such express undertakings from the Designated Persons as may be necessary in order to assess, approve and monitor the implementation of the trading plan. The Compliance Officer shall also be responsible for notifying this approved trading plan to the stock exchanges on which the securities of the Bank are listed.
- g. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchange(s) on which the securities of the Bank are listed.
- h. Shall maintain a record of the opening and closing of trading window from time to time and shall determine the time of closure and re-opening of the trading window.
- i. Shall provide pre-clearance for the Designated Person's trades when the trading window is open, if the value of the proposed trades are above the stipulated thresholds determined by the Board.
- j. Shall seek such declarations from the Designated Persons as required by this Code and in accordance with the PIT Regulations before approving any trades.
- k. Shall maintain an updated database of Designated Persons and their Immediate Relatives along with other details as prescribed in the PIT Regulations.
- l. Shall maintain a structured digital database containing the nature of UPSI & the name of persons or entities who/which have shared the UPSI and the name of persons/entities with whom UPSI is shared

as per this Code along with PAN or any other identifier authorized by law where PAN is not available. The Compliance Officer shall also ensure that such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

- m. Shall be responsible for disclosing to the stock exchanges such disclosures as required under the PIT Regulations.

#### **4. MAINTAINING CONFIDENTIALITY OF UPSI**

The Designated Persons shall comply with the PIT Regulation with respect to any UPSI of the Bank that they may get access to including the following:

- a. Designated Persons shall not communicate, provide, or allow access to any UPSI relating to the Bank or its securities to/from any person except in furtherance of a Legitimate Purpose or performance of duties or discharge of legal obligations.
- b. Further, no person shall procure from or cause the communication by any Designated Persons of UPSI, relating to the Bank or its securities (listed or proposed to be listed) except in furtherance of a Legitimate Purpose or performance of duties or discharge of legal obligations.

Provided that nothing contained above shall be applicable when UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations pursuant to appropriate notice, confidentiality and nondisclosure agreements being executed; or
  - ii. in the event the Board directs or causes the public disclosure of UPSI in the best interest of the Bank; or
  - iii. 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 Bank 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 and has become Generally available information.
- c. All information shall be handled within the Bank on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of a Legitimate Purpose, performance of duties or discharge of his legal obligations.

For the purpose of this Code, "need-to-know" shall mean UPSI which should be disclosed only to those within the Bank who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appear as misuse of the information; or

- d. The details of sender, receiver and UPSI should be entered in the digital database maintained by the Compliance Officer or any other person(s), as applicable, in accordance with the PIT Regulations (<https://pit.utkarsh.bank>).
- e. Files containing confidential information and data shall be kept secure under the lock and key. Computer files must have adequate security of login, password, firewall protection, etc. The departmental head shall nominate a member of the department for ensuring the compliance with this

clause.

## 5. CHINESE WALL

- a. To prevent the misuse of confidential information, the Bank shall follow, including but not limited to, the following 'Chinese Wall' norms:
  - i. Identification of Inside Areas and Public Areas: To prevent the misuse of confidential information the Bank shall establish procedures and processes which separate/demarcate those areas of the Bank which routinely have access to UPSI, considered "**Inside Areas**" from other departments providing support services, considered "**Public Areas**".
  - ii. The Designated Persons in an Inside Area shall not communicate any UPSI to any one in Public Area.
  - iii. Even on a particular side of the Chinese Wall, UPSI may not be shared among Designated Persons or Insiders or any other recipient of such information, except on a need-to-know basis.
  - iv. The demarcation of various departments as inside area shall be determined by the Compliance Officer in consultation with the Managing Director and may vary on a case-to-case basis.
  - v. Designated Persons within Chinese Walls shall have responsibility to ensure that the Chinese Walls are not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Walls must be reported to the Compliance Officer immediately.
  - vi. In exceptional circumstances persons from Public Areas may be brought "over the wall" and given confidential information/UPSI strictly on "need-to-know basis". Upon the transmission of UPSI in the foregoing manner, the relevant person from the public area shall become bound by this Code and the person shall be intimated of the same by the Compliance Officer.
  - vii. Responsibilities post crossing of the Wall: While any Designated Persons / Insiders from the Public Area is in the Inside Area after having crossed the Chinese Wall, he/she shall strictly maintain the confidentiality of the transaction or UPSI and will be subject to general principles governing confidentiality and the handling and use of UPSI.
  - viii. In case of doubt whether certain information falls within the scope of or not the same may be brought to the attention of the Compliance Officer for clarity.

## 6. TRADING WHEN IN POSSESSION OF UPSI

- a. No Designated Person shall trade in securities of the Bank either on their own or on behalf of any other person, when in possession of UPSI except in accordance with a trading plan.
- b. 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.
- c. The Designated Person may prove his innocence by demonstrating the circumstances including the following:
  - i. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - ii. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

iii. the trades were pursuant to a trading plan.

d. A Designated Person who has ceased to be associated with the Bank shall not, for a period of six months from date of such cessation, directly or indirectly trade in the Bank's securities while in possession of UPSI.

## **7. TRADING PLAN**

a. The Designated Persons shall be entitled to execute trades in pursuance of a pre-formulated trading plan, where such a trading plan has been formulated by such a Designated Person and has received approval of the Compliance Officer and publicly disclosed to the stock exchanges.

b. Such trading plan shall:

i. not entail commencement of trading on behalf of the Designated Person earlier than six months from the public disclosure of the plan;

ii. not entail trading for the period between the 20<sup>th</sup> Trading Day prior to the last day of any financial period for which results are required to be announced by the Bank and the second Trading Day after the disclosure of such financial results;

iii. entail trading for a period of not less than 12 months;

iv. not entail overlap of any period for which another trading plan is already in existence;

v. set out either the value of trades 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.

c. The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the PIT Regulations and 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.

d. Any trade executed as per the approved trading plan shall not require any pre-clearance from the Compliance Officer and shall not be subject to the trading window norms and restrictions on contra trade.

e. The trading plan once approved by the Compliance Officer shall be irrevocable and the Designated Person 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.

f. However, the implementation of the trading plan shall not be commenced if any UPSI in possession of the Designated Person at the time of formulation of the trading plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information so as to avoid a violation of Regulation 4(1) of PIT Regulations.

g. Upon approval of the trading plan, the Compliance Officer shall notify the approved trading plan to the stock exchange(s) on which the securities are listed.

## **8. TRADING WINDOW AND WINDOW CLOSURE**

a. The trading window shall mean a notional trading window which shall be used as an instrument of



monitoring trading by the Designated Persons. The trading window shall be closed at the time of subsistence of UPSI in the Bank, including, without limitation, the following:

- i. Declaration of financial results;
  - ii. Declaration of dividend (interim or final);
  - iii. Issue of securities by way of public / rights / bonus etc. or any other form of capital restructuring;
  - iv. Announcement of any major expansion plans;
  - v. Amalgamation, mergers, arrangements, takeovers and buyback;
  - vi. Disposal of the whole or substantially the whole of the Bank's undertaking; and
  - vii. Change in Key Managerial Personnel;
- b. The trading window shall be closed from end of every quarter till 48 hours after the declaration of financial results and when the Compliance Officer determines that the Designated Persons or class of Designated Persons can reasonably be expected to have possession of UPSI. No Designated Person and their Immediate Relatives shall trade in Bank's securities when the trading window is closed.
- c. In case of Employee Stock Option Plans ("ESOP"), the exercise of option may be undertaken by eligible employees during the period when the trading window is closed. However, trading in shares allotted upon exercise of ESOPs shall not be allowed when the trading window is closed and will require pre-clearance from the Compliance Officer. Accordingly, Designated Persons should exercise due care and caution while exercising their stock options and ensure that if such exercise is being undertaken while the trading window is closed, the resultant equity shares received on exercise should not be traded while the Trading Window is closed or without obtaining pre-clearance from the Compliance Officer, when applicable in accordance with this Code.
- d. The Designated Persons or their Immediate Relatives shall not enter into any derivative transactions in respect of securities of the Bank.
- e. The Compliance Officer shall intimate the closure a n d o p e n i n g of t h e trading window to the Designated Persons of the Bank for whom such window has been closed.
- f. The Compliance Officer after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window. In any event it shall not be earlier than 48 hours after the information becomes generally available.
- g. The trading window restrictions shall not apply in respect of the following transactions subject to pre-clearance by the Compliance Officer and compliance with the respective regulations made by SEBI
- i. transactions specified in clauses (i) to (iv) and (vi) of the proviso to Regulation 4(1) of the PIT Regulations.
  - ii. trades undertaken pursuant to a duly approved trading plan.
  - iii. pledge of shares for a bonafide purpose, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by SEBI.
  - iv. transactions which are undertaken in accordance with respective SEBI Regulations such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the SEBI from time to time.

## **9. PRE - CLEARANCES OF TRADE**

- a. All trades in the securities of the Bank by all the Designated Persons and their Immediate Relatives when the trading window is open, shall be subject to pre-clearance by the Compliance Officer, if, value

of such transaction exceeds Rs.10,00,000 (Rs. Ten Lakhs) whether in one transaction or a series of transactions over any calendar quarter. Such pre-clearance will be required irrespective of whether the proposed trade is an on-market trade or an off-market trade.

- b. Application for pre-clearance shall be made in the form as set out in **Annexure A or on the PIT Platform** to the Compliance Officer. The Compliance Officer may grant approval or reject the request for pre-clearance without assigning any reasons. For trades to be undertaken by the Compliance Officer or his Immediate Relatives, the Managing Director or the Board shall be the approving authority and may stipulate such procedures as are deemed necessary to ensure compliance with the PIT Regulations.
- c. No Designated Person shall apply for pre-clearance of any proposed trade by such Designated Person or his/her Immediate Relative, if such Designated Person or his/her Immediate Relative is in possession of UPSI even if the trading window is open.
- d. Upon pre-clearance being granted, the concerned Designated Person shall trade the securities of the Bank within 7 (seven) Trading Days including date of approval and submit a report of the trades executed within 2 (Two) working days from the date of execution of the trade in the format as prescribed in **Annexure B** or on the PIT Platform. In case of closure of trading window during such 7 Trading Days period, the Designated Person shall not trade once the Trading Window has been closed and any pre-clearance so given, shall be rendered invalid on account of subsequent closure of trading window.
- e. In case of failure to execute the trade in the securities of the Bank within the said 7 trading days, a fresh pre-clearance would be needed for the trade to be executed. Fresh application in the form set out in Annexure A or on the PIT Platform to the Compliance Officer would be required to be made for any trade of securities after the expiry of 7 (seven) Trading Days.

## **10. CONTRA TRADE**

- a. All Designated Persons who trade in the securities of the Bank shall not enter into an opposite trade during the next (6) six months following the prior transaction. For instance, if a Designated Person acquires 100 shares of the Bank on November 1, 2023 and then again 100 shares on December 1, 2023. Any sale of shares prior to June 2, 2024 will tantamount to contra trade, as the contra trade restriction is applicable from December 1, 2023 in the aforesaid case. Similarly, in case pledge is created on such shares prior to June 2, 2024, then creation of pledge (which is equivalent to sale of shares), will also amount to contra trade.
- b. In case any contra trade is executed inadvertently or otherwise, in violation of such a restriction, 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 the SEBI under the SEBI Act, as amended from time to time.
- c. The restriction on execution of contra trade in securities is not applicable in case of acquisition or disposal of securities of the Bank through buy back, open offer, exit offer, merger/amalgamation, demerger, rights issue, follow- on public offer (FPO), offer for sale, share split and bonus issue, provided that the initial transaction of acquisition or disposal was completed in accordance with the PIT Regulations.
- d. If a Designated Person has traded in shares, he/she can exercise ESOPs at any time after such trade. Exercise of ESOPs shall not attract contra trade restrictions.
- e. However, trades executed in shares received pursuant to exercise of ESOPs will attract contra trade restrictions if an opposite trade was executed, within a six-month period prior to such trade. For instance, a Designated Person acquires shares on January 1, 2023 in the open market. Subsequently, the said Designated Person acquires further shares upon exercise of ESOPs on February 1, 2023.

Thereafter, in case the said Designated Person sells shares so acquired on March 1, 2023, in open market, then the said trade will be considered as contra trade (on account of the acquisition/ purchase undertaken on January 1, 2023).

- f. The aforementioned restrictions on execution of contra trades shall not be applicable for trades executed pursuant to an approved Trading Plan.
- g. Upon receipt of a request prior to the contra trade, the Compliance Officer may waive off the holding period in case of sale of securities in cases of personal emergency after recording written reasons for the same. The Designated Person shall apply for pre-clearance for such trade and give an undertaking stating that he/she is not in possession of UPSI. The Designated Person shall also, to the extent possible, provide documentary proof of such an emergency. However, no such sale will be permitted when the trading window is closed.

#### **11. PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UPSI**

- a. The Bank shall ensure prompt 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 by disclosing the same to the stock exchanges where securities of the Bank are listed.
- b. The Bank shall disseminate UPSI, in a universal and uniform manner through forums like widely circulated media and / or through stock exchanges where the securities are listed or proposed to be listed in order to avoid selective disclosure of UPSI.
- c. The Compliance Officer or any other person as may be designated by the Board of the Bank shall act as chief investor relations officer to deal with dissemination of information and disclosure of UPSI. The Compliance Officer can be contacted for any queries or clarifications as regards dissemination of UPSI.
- d. Whenever any UPSI gets disclosed selectively, inadvertently, the Bank shall promptly disseminate of such information so as to make it generally available at the earliest.
- e. The Compliance Officer in consultation with the chief executive officer or the chief financial officer shall provide appropriate and fair responses to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f. The Bank's Managing Director & Chief Executive Officer/ Chief Financial Officer/ Compliance Officer shall ensure that information shared with analysts and research personnel is not UPSI. While dealing with analysts or research persons or large investors like institutions, the MD&CEO/CFO/Compliance Officer shall provide only public information.
- g. The Bank shall develop best practices to make transcripts or records of proceedings of meetings or update calls with analysts and other investor relations conferences on the official website in accordance with the applicable rules, guidelines etc to ensure official confirmation and documentation of disclosures made.
- h. The Compliance Officer shall ensure that systems are in place for handling of all UPSI only on a need-to-know basis.

#### **12. DISCLOSURE REQUIREMENTS**

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.

#### **Initial Disclosure**

- a. Every person on appointment as a Key Managerial Personnel or a director of the Bank or upon becoming a promoter or member of the promoter group shall disclose his/her holding of securities of the Bank as on the date of appointment or becoming a promoter, to the Bank within seven days of such appointment or becoming a promoter.

#### **Disclosures by Connected Persons**

- a. The Bank may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Bank in such form and at such frequency as may be determined by the Bank in order to monitor compliance with the PIT Regulations and this Code.

#### **Continual Disclosures:**

- a. Every promoter, member of the promoter group, Designated Person and director of the Bank shall disclose to the Bank the number of such 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 ten lakh rupees or such other value as may be specified.
- b. The Bank shall, wherever applicable, notify the particulars of such trading to the stock exchange(s) on which the securities of the Bank are listed **within two trading days** of receipt of the disclosures or from becoming aware of such information.

***Note:** [The disclosure of the incremental transactions after any disclosure as mentioned in para (a) & (b) above, shall be made when the transactions effected after the prior disclosure cross the threshold specified in para (a) above.]*

- C. The above disclosures shall be made in such form and such manner as may be specified by SEBI from time to time.

The Compliance Officer shall maintain records of all the disclosures made in the appropriate form for a minimum period of 8 years.

### **13. DISCLOSURE REQUIREMENTS FOR DESIGNATED PERSONS**

- a. Designated Persons shall be required to disclose, as set out in Annexure C, names and permanent account number or any other identifier authorized by law of the following persons to the Bank on an annual basis and as and when the information changes:
  - i. Immediate Relatives;
  - ii. persons with whom the Designated Persons share a material financial relationship;
  - iii. phone, including mobile numbers which are used by them.

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 from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.

- b. Designated Persons shall also disclose, on a one-time basis, the names of educational institutions from which such Designated Persons have graduated and names of their past employers (in the format as set out in Annexure C).

### **14. DEALING WITH ANALYSTS / INSTITUTIONAL INVESTORS**

The chairman, managing director and chief executive officer and chief financial officer of the Bank shall interact with analysts, institutional and other large investors. The Compliance Officer and a designated employee shall be present while addressing the analysts, institutional or large Investors.

No UPSI shall be disclosed to analysts or institutional and other large investors by such persons and only public information is provided to them.

### **15. PENALTIES FOR CONTRAVENTION**

- a. All Designated Persons shall ensure compliance with the PIT Regulations and this Code. Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Bank.
- b. The disciplinary action may include wage freeze, suspension, recovery, ineligibility for future participation in any schemes / plans of the Bank like employees stock option, fine, etc. and such amount collected shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act.
- c. The action by the Bank shall not absolve the person from prosecution by SEBI under the PIT Regulations.

- d. In case of the Compliance Officer becoming aware of any violation by the Designated Persons or their Immediate Relatives of the PIT Regulations, the Compliance Officer must promptly inform the Stock Exchange(s), where the securities are traded, or any other appropriate authority, as required, in the format as prescribed by SEBI so that appropriate action may be taken.
- e. In case of violation of the reporting requirements by the Designated Person, as mentioned in Clause 12 above, while the same may be considered as violation of this Code, it shall not be reported to the stock exchanges by the Bank as a violation of the Regulations, if the trade in question has been publicly disseminated on the stock exchanges through system driven disclosures.

#### **16. AUTHORITY TO MAKE ALTERATIONS**

The Board is authorized to make such alterations to this Code as considered appropriate, provided that such alterations shall not be inconsistent with the provisions of the PIT Regulations and any other applicable law from time to time.

#### **17. REVIEW**

This Code shall be reviewed by the audit committee at annual intervals or as warranted by changes in any regulatory requirement. Such review shall be placed before the Bank's Board of Directors for approval.

**ANNEXURE A**

**UTKARSH SMALL FINANCE BANK LIMITED APPLICATION FOR PRE- CLEARANCE OF TRADING IN SECURITIES OF THE BANK**

(Under the Code of Conduct for Prohibition of Insider Trading and Code of Fair Disclosure and Conduct (the "Code"))

Date: \_\_\_\_\_  
To: The Compliance Officer  
Utkarsh Small Finance Bank Limited  
From: \_\_\_\_\_ (Name)  
\_\_\_\_\_ (Emp. No.)  
\_\_\_\_\_ (PAN)  
\_\_\_\_\_ (Designation)  
\_\_\_\_\_ (Department)

Pursuant to Clause 9 of the Code, I hereby seek your approval to purchase/sell Securities of Utkarsh Small Finance Bank Limited as per the details given below:

Nature of transaction (Buy/ sell/ subscribe/ pledge)	Name of the Designated Person/Immediate Relative proposing to deal in Securities	Relationship with Designated Person/ PAN of Immediate Relative	No. of Securities	Value of Securities (in ₹)

I declare that the Securities in respect of which the approval is sought, will be held/have been held by the above named for a minimum period of six months.

I hereby undertake that:

- I do not have any access to nor have received any UPSI up to the time of giving this undertaking.
- In case I have access to or receive any UPSI after this undertaking, but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I and/or the persons named above would completely refrain from trading in the Securities till the time such information becomes public.

I have not contravened the PIT Regulations and the Code. I have made a full and true disclosure in the matter.

**Signature:**

.....

For Office Use

With reference to the above application, I hereby approve/ reject the application for \_\_\_\_\_ number of Securities of Utkarsh Small Finance Bank Limited for ₹ [●]₹.

Further, the approval is valid only for a period of seven Trading Days from the date of approval.

Date:

Signature of Compliance Officer:

**ANNEXURE B**

**UTKARSH SMALL FINANCE BANK LIMITED (THE "BANK") INTIMATION OF TRADING IN SECURITIES OF THE BANK**

(Under the Code of Conduct Prohibition of Insider Trading and Code of Fair Disclosure and Conduct (the "Code"))

Date: \_\_\_\_\_  
To: The Compliance Officer  
Utkarsh Small Finance Bank Limited  
From: \_\_\_\_\_ (Name)  
\_\_\_\_\_ (Emp. No.)  
\_\_\_\_\_ (PAN)  
\_\_\_\_\_ (Designation)  
\_\_\_\_\_ (Department)

I hereby report that pursuant to the approval of the pre clearance granted to me, the following trades have been executed:

Name of the Designated Person/Immediate Relative (in case the trade is done by the Immediate Relative of the Designated Person)	
PAN of Designated Person/Immediate Relative	
Nature of Transaction (Buy/Sell)	
Approval date of pre-clearance	
Approval taken for no. of Securities	
No. of Securities traded	
Market value of Securities traded	
Date of trading	
No of Securities not traded (if any) for which approval has been taken	
Reasons for not trading	

I hereby state that the above details are correct, true and complete in all respects. Signature:

\_\_\_\_\_



### Reporting of Non-Execution of Pre-Cleared Trade

Date: \_\_\_\_\_  
To: The Compliance Officer  
Utkarsh Small Finance Bank Limited  
From: \_\_\_\_\_ (Name)  
\_\_\_\_\_ (Emp. No.)  
\_\_\_\_\_ (PAN)  
\_\_\_\_\_ (Designation)  
\_\_\_\_\_ (Department)

I, \_\_\_\_\_ wish to inform you that the trade for which approval was granted by you on  
\_\_\_\_\_ has not been undertaken by me/Immediate Relative due to reasons given below:

1. [●]
2. [●]

\_\_\_\_\_  
**Signature**  
**Name**

**ANNEXURE C<sup>1</sup>**

**DISCLOSURE BY DESIGNATED PERSONS – SHAREHOLDING AND IMMEDIATE RELATIVES, ETC.**

To,

The Compliance Officer,  
Utkarsh Small Finance Bank Limited

I \_\_\_\_\_ S/o /D/o \_\_\_\_\_ Director/

Employee do hereby confirm and disclose that -

(i) The following persons are my Immediate Relatives\*:

Sr. No.	Self and Name of the Immediate Relative	PAN	Relationship	Phone / Mobile No.	Shareholding
1.					
2.					
3.					
4.					

(ii) I have shared the material financial relationship# with following persons in the immediately preceding 12 months:

Sr. No.	Name	PAN	Relationship	Phone / Mobile No.	Shareholding
1.					
2.					
3.					
4.					

(iii)<sup>2</sup> I also confirm that the following are my graduation and past employment details:

Sr. No.	Name of the Institution/University	Education Major	Graduated in the year
1.			

<sup>1</sup> To be given on Annual Basis and as and when, there is a change in the information provided except units holding

<sup>2</sup> To be given on one-time basis

2.			
3.			

AND

Sr. No.	Name of the Company	Designation	Year of Employment
1.			
2.			
3.			

(iv) I also confirm that in case of any change in the abovementioned list in point (i) & (ii), I shall intimate the same in writing to the Compliance Officer.

**Name of Director/Employee:** \_\_\_\_\_ **Employee Code:** \_\_\_\_\_

\_\_\_\_\_

**Designation:** \_\_\_\_\_ **Company/Department:** \_\_\_\_\_

**Signature of Director/Employee:** \_\_\_\_\_

**Place:**

**Date:**

\* "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/units.

# "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 from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but excluding the relationships in which the payment is based on arm's length transactions."