



**POLICY ON PROHIBITION OF
FRAUDULENT AND UNFAIR TRADE
PRACTICES RELATING TO SECURITIES
MARKET**



| Version | Effective Date | Review Date | Prepared by | Reviewed by | Approved by |
|---------|----------------|-------------|---|---|-----------------------|
| 1.0 | 01.04.2020 | 31.03.2020 | Alaka Chanda Company Secretary and Compliance Officer | Ravi Vishwanath- Chief Financial Officer | Board of Directors |

TeamLease Services Limited Restricted

This Policy on Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market (Policy) is not to be copied or distributed without the express written consent of TeamLease Services Limited. No part of this document may be used for purposes other than those intended by TeamLease Services Limited.

Amendment: Any change in this Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.



1. Preface:

This Policy is formulated as per the requirement under Regulation 5(4) of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Regulation requires that the Compensation Committee of a Company should frame suitable policies and systems to ensure that there is no violation of –

- a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and
- b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade practices relating to the Securities Market) Regulations, 1995, by any Employee.

This Policy will be effective from April 01, 2020.

The Policy shall also be uploaded on the website of the Company at www.teamleasegroup.com.

2. Definition(s):

a) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

b) **“Board”** means Board of Directors of the Company.

c) Dealing in Securities:

“Dealing in securities” includes:

- (i) an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in any security by any persons including as principal, agent, or intermediary referred to in section 12 of the Act;
- (ii) such acts which may be knowingly designed to influence the decision of investors in securities; and
- (iii) any act of providing assistance to carry out the aforementioned acts.

d) **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

e) Fraud:

“Fraud” includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

- (1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- (2) a suggestion as to a fact which is not true by one who does not believe it to be true;
- (3) an active concealment of a fact by a person having knowledge or belief of the fact;
- (4) a promise made without any intention of performing it;
- (5) a representation made in a reckless and careless manner whether it be true or false;
- (6) any such act or omission as any other law specifically declares to be fraudulent,
- (7) deceptive behaviour by a person depriving another of informed consent or full participation,



(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And “fraudulent” shall be construed accordingly;

Nothing contained in this clause shall apply to any general comments made in good faith in regard to—

- (a) the economic policy of the government
- (b) the economic situation of the country
- (c) trends in the securities market or
- (d) any other matter of a like nature

whether such comments are made in public or in private;

f) “Investigating Authority” means those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee including Auditors of the Company and the police.

g) “Policy” means Policy on Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market.

h) Securities:

“Securities” shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund, which as follows:

“Securities” include—

(i) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body Corporate

a) Derivatives;

b) Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

c) Units or any other such instrument issued to the investors under any mutual fund scheme

(ii) Government securities; such other instruments as may be declared by the Central Government to be securities; and

iii) Rights or Interest in securities;

3. Objectives:

The objectives of the Policy strive to prohibit:

- a. Fraudulent dealings in Securities Market
- b. Market Manipulation
- c. Making misleading statements to induce sale or purchase of securities and
- d. Unfair trade practices relating to securities.

4. Applicability:

The provisions of this Code shall be applicable on the Designated Persons and their Immediate Relatives.



5. Prohibition of certain dealings in Securities:

No person shall directly or indirectly—

- (i) Trade in a fraudulent manner;
- (ii) use or employ, in connection with issue, purchase or sale of any Security on the Stock Exchange(s), any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
- (iii) employ any device, scheme or artifice to defraud in connection with Dealing in or issue of Securities on the Stock Exchange(s);
- (iv) engage in any act, practice, course of business which operates or would operate as Fraud or deceit upon any person in connection with any Dealing in or issue of Securities on the Stock Exchange(s) in contravention of the provisions of the Act or the rules and the regulations made thereunder.

6. Prohibition on Manipulative, Fraudulent and Unfair Trade Practices

- (i) Without prejudice to the provisions of the Fraudulent and Unfair Trade Practice Regulations, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in Securities.
- (ii) Dealing in Securities of the Company shall be deemed to be manipulative fraudulent or an unfair trade practice if the same falls under Regulation 4(2) of the Fraudulent and Unfair Trade Practice Regulations.

7. Investigation

7.1 The Board has reasonable ground to believe that—

- (a) the transactions in securities are being dealt with in a manner detrimental to the investors or the securities market in violation of these regulations;
 - (b) any intermediary or any person associated with the securities market has violated any of the provisions of the Act or the rules or the regulations,
- it may, at any time by order in writing, direct the Investigating Authority to investigate the affairs of such intermediary or persons associated with the securities market or any other person and to report thereon to the Board.

7.2 The Investigating Authority on being satisfied as to the seriousness and credibility of the complaint, direct the complaint for further investigation.

7.3 It shall be the duty of every person in respect of whom an investigation has been ordered:

- (a) to produce to the Investigating Authority or any person authorized by him such books, accounts and other documents and record in his custody or control and to furnish such statements and information as the Investigating Authority or the person so authorized by him may reasonably require for the purposes of the investigation;
- (b) to appear before the Investigating Authority personally when required to do so by and to answer any question which is put to him by the Investigating Authority in pursuance of the powers under the said regulations.



7.4 Every investigation shall be completed within reasonable time period and in any case within 90 days from date of receipt of the order from the Board.

7.5 The report of the investigation shall be submitted to the Board with reasoning and supporting material.

7.6 The Board may, by an order, for reasons to be recorded in writing, in the interests of investors and securities market, issue or take any of the following disciplinary actions or directions, either pending investigation or enquiry or on completion of such investigation or enquiry as prescribed under Regulation 11 of the Fraudulent and Unfair Trade Practice Regulations.
