



## CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

### Introduction:

Insider trading means dealing in securities of a Company listed/traded on any stock exchange in India by an insider based on or when in possession of, unpublished price sensitive information.

Regulation 3 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as 'Regulations'), which prohibits insider trading is quoted below:

"No Insider shall –

(i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information; Or

(ii) communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities;

(iii) Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law."

As required under Regulation 12 of the said Regulations, all listed companies shall frame a 'Code of Internal Procedures and Conduct' as Model Code specified in Schedule I of Chapter IV to the Regulations.

SEBI has amended the said regulations from time to time and to consider amendments made vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008, Finkurve Financial Services Limited ('FFSL' or 'the Company') has revised this Code of Conduct called "FFSL Code of Conduct for Prevention of Insider Trading ('the Code').

### 1. Title, Commencement and Extent:

- i. This Code is called "FFSL Code of Conduct for Prevention of Insider Trading ('the Code')
- ii. It shall come into force w.e.f. 27<sup>th</sup> August, 2013
- iii. This code is applicable to all Directors / Officers and Designated employees of FFSL and their dependent family members.

### 2. Definitions:

As used in this Code:

- a. "**Act**" means Securities and Exchange Board of India Act, 1992 (15 of 1992) and as amended from time to time.
- b. "**Board**" means Board of Directors of the Company.



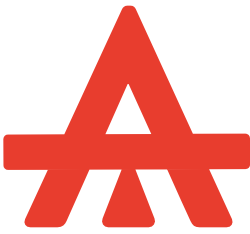
- c. **“Code”** means this Code of Conduct for Prevention of Insider Trading, as applicable, including modifications made thereto from time-to-time.
- d. **“Compliance Officer”** means a person (whether employee of the company or not) appointed by the Board for the implementation of and overseeing compliance with the Regulations and the Code across the Company.
- e. **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of the Company by any person, either as principal or agent.
- f. **“Dependent”** shall include the spouse, dependent parents and dependent children of the Directors, Officers or Designated Employees.
- g. **“Designated Employee”** means: -

such Employees in the top three layers of the management as may be identified by the Compliance Officer in consultation with the Managing or Executive Director or the Chief Executive Officer of the Company; and

any other Employee as may be designated by the Compliance Officer in consultation with the Managing or Executive Director of the Company considering the objectives of the Code.

- h. **“Director”** means a member of the Board of Directors of the Company.
- i. **“Employee”** means every employee of the Company including the Directors in the employment of the Company.
- j. **“Insider”** means any person who, is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished Price Sensitive Information in respect of Securities of the Company, or who has received or has had access to such unpublished Price Sensitive Information.
- k. **“Officer”** includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor of the Company.
- l. **“Price Sensitive Information”** means any information, which relates directly or indirectly to FFSL, as the case may be, and which if published is likely to materially affect the price of securities of FFSL, as the case may be, and without limitation include the following:

- periodical financial results;



- intended declaration of dividends (both interim and final);
- issue of Securities or buy-back of Securities;
- undertaking of new business;
- amalgamation, mergers or takeovers;
- disposal of the whole or substantial part of the undertaking;
- any significant changes in policies, plans or operations.

- m. "**Regulations**" mean the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- n. "**Specified Persons**" - the Directors, Officers and the Designated Employees are collectively referred to as Specified Persons.
- o. "**Stock Exchange**" means a stock exchange which is recognized by the Central Government or SEBI under Section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956).
- p. "**Trading Window**" means a trading period for trading in Company's Securities as specified by the Company from time to time.
- q. "**Unpublished Information**" means information, which is not published by the Company or its Agents and is speculative in nature.

Explanation: Speculative Reports in print or electronic media shall not be considered as published information.

- r. "**Working Day**" means the day when regular trading is permitted on the concerned Stock Exchange where securities of the Company are listed.

All other words and phrases will have the same meaning as defined under these Regulations (as amended) from time to time as also under the SEBI Act.

### 3. Compliance Officer:

The Board has appointed Company Secretary as the Compliance officer of the Company, who shall report to the Chairman / Executive Director of the Company. The Compliance Officer shall hold the position so long as he/she is in the employment of the Company. In the absence of the Company Secretary, any other person as may be designated by the Board of Directors and/ or Executive Director of the Company, shall be the Compliance Officer for the purpose of this Code.

The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", to ensure



compliance and for effective implementation of the Regulations and also this Code across the Company under the general supervision of Board.

The Compliance Officer shall assist all the Employees in addressing any clarifications regarding the Regulations and this Code.

#### **4. Preservation of Price Sensitive Information:**

All the Specified Persons shall maintain the confidentiality of all Price Sensitive Information ("PSI") coming into their possession or control and shall not:

- i. pass on PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company; or
- ii. disclose PSI to any Employee who does not need to know the information for discharging his or her duties, or
- iii. recommend to anyone that they may undertake dealing in Securities of the Company while being in possession, control or knowledge of PSI, or
- iv. be seen or perceived to be dealing in Securities of the Company on the basis of unpublished PSI.

#### **5. Need to know:**

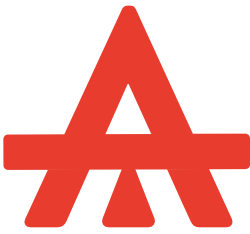
The Specified Persons, who are privy to unpublished PSI, shall handle the same strictly on a "Need to Know" basis and maintain the confidentiality of the same. This means the unpublished PSI shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their duty and whose possession of unpublished PSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

#### **6. Limited access to confidential information:**

The Specified Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function. All files, papers and records containing unpublished Price Sensitive Information shall be kept secure. In case of computer files, the same shall be kept secured by having adequate security of login and password.

#### **7. Trading Window:**

1. The "Trading Window" means a trading period for trading in Company's Securities as



specified by the Company from time to time.

2. All the Specified Persons shall engage in dealing in Securities only when the Trading Window is open.
3. Unless otherwise specified by the Compliance Officer, the Trading Window shall, inter alia, be closed at least 8 days prior to the following events:
  - a. Declaration of financial results (quarterly, half-yearly and annual);
  - b. Declaration of dividends (interim and final);
  - c. Issue of Securities by way of public/rights/bonus etc.;
  - d. Undertaking of new business;
  - e. Amalgamation, mergers, takeovers and buy-back;
  - f. Disposal of whole or substantially whole of the undertaking;
  - g. Any significant changes in policies, plans or operations
4. The Trading Window shall be opened 24 hours after the information relating to items specified above is made public.

#### **8. Pre-Clearance of deals in Securities:**

Every Specified Persons or their dependents shall obtain a pre-dealing approval as per the procedure prescribed hereunder for any dealing in any Securities of the Company proposed to be undertaken by such Specified Persons / his / her Dependent for more than 5000 shares / securities at a point of time.

The application should indicate the estimated number of securities that the designated employee/officer/director or their dependent intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other additional details as may be required by any rule made by the company in this behalf from time to time.

An application for pre-clearance of trade may be made as per specified format in the regulation to the Compliance Officer. A Statement of Holdings at the time of Pre-Clearance as per specified format along with undertaking shall be executed in favour of the Company by such Specified Person.

All Specified Persons or their dependents shall execute their orders in respect of securities of the Company within one week after the approval is given. If the order is not executed within one week after the approval is given, the employee/director must take pre clearance for the transaction again.

An undertaking shall be executed in favour of the Company by such Specified persons incorporating, inter alia, the following clauses, as may be applicable:

- a) That the Specified Persons does not have any access or has not received "Price sensitive



information” upto the time of signing the undertaking.

- b) That in case the Specified Persons has access to or received “Price sensitive information” after the signing of the undertaking but before the execution of the transaction he/she shall inform the compliance officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- c) That he/she has not contravened the Code of Conduct for prevention of insider trading as notified by the Company from time to time.
- d) That he/she has made full and true disclosure in the matter.

#### **9. Other Restrictions:**

All Specified Persons or who buy or sell any number of shares of the Company shall not enter into an opposite transaction during next six (6) months following prior transaction. All the above said persons shall not take positions in derivatives transactions in the shares of the Company at any time.

In case of subscription in primary market (IPOs), the above-mentioned entities shall hold their investments for a minimum period of thirty (30) days. In such cases, the holding period would commence when the securities are actually allotted.

In case the dealing in Securities is necessitated by personal emergency of the Director, Officer and/or Designated Employee (or the Compliance Officer), such Director, Officer and/or Designated Employee (or the Compliance Officer) may seek the waiver of the holding period specified in this Clause above by making an application to the Compliance Officer as per specified format. The Compliance Officer may waive the holding period after recording in writing, the reasons in this regard.

#### **10. Reporting requirements for transactions in Securities:**

All the Specified Persons shall be required to forward to the Compliance Officer following details in respect of the securities of the Company held by them and by their dependent family members:

- a. All securities of FFSL held as on the date or as on the date of joining FFSL, whichever is later in specified format within two working days.
- b. Annual statement of all securities of FFSL held as on 31st March every year as per specified format on or prior to 5th April of the next financial year.
- c. All dealings in securities of FFSL in each financial year as per specified format on or before 5th April of the next financial year.



- d. All directors, Officers or designated employees of the Company shall disclose to the Company and the stock exchange where the securities are listed as per specified format, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents from the last disclosure made under Regulation 13(2) or 13(4) of the Regulations, and the change exceeds Rs. 5 Lacs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 3 (three) years from the date of the filing thereof.

The Compliance Officer shall place before the Executive Director on monthly basis and before the Audit Committee on a quarterly basis all the details of the dealing in securities by the Specified Persons.

#### **11. Penalty for Contravention of the Code:**

All the Specified Persons shall be individually responsible for complying with the provisions of the Regulations and the Code to the extent applicable.

Any Director who violates the Code shall be subject to disciplinary action, as may be deemed fit by the Board of FFSL. Any Designated Employee who violates the Code shall be subject to disciplinary action, which may include freeze on emoluments, ineligibility for future participation in the stock option plans or suspension/termination of service/contract, or any other action as may be deemed fit by FFSL.

Any action taken by FFSL shall not preclude SEBI from taking any further action for violation of the Regulations.

#### **12. Information to SEBI in Case of Violation of the Regulations:**

In case any violation of the Regulation or the Code is observed, SEBI shall be informed of the same by FFSL.

#### **13. Clarifications:**

For all queries concerning this Code, the Directors and Employees may please contact the Compliance Officer of the Company.