

ASSOCIATED FINMAN LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF THE COMPANY

1. Introduction

The Securities and Exchange Board of India (SEBI) has vide the Securities & Exchange Board of India (Insider Trading) (Amendment) Regulations, 2002, amended the Securities & Exchange Board of India (Insider Trading) Regulations, 1992. These regulations shall now be called “Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992” (hereinafter referred to as “the Regulations”).

The Regulations now make it mandatory for every listed public Company to lay down a code of conduct to be observed by its directors, officers and employees.

This document embodies the Company’s code of Conduct for prevention of Insider Trading in Securities of the Company and encapsulates the restrictions, formats and the rules of conduct to be followed by the Company’s directors, officers and employees and is intended to serve as a guiding charter for all persons associated with its functioning.

2. Definitions

2.1 For the purpose of this Code.

- (a) “Company” means Associated Finman Ltd.
- (b) “Dealing in Securities” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or otherwise deal in securities either as principal or agent.

Provided that for the purposes of this Code, holdings or dealings in securities by a Dependent of a Director, Officer or Designated Employee shall be deemed to have been held or done (as the case may be) by the concerned Director, Officer, Employee or Designated Employee and such Director, Officer, Employee or Designated Employee, as the case may be, shall be liable to comply with all the provisions of this Code as may be applicable to such holdings or dealings accordingly.

- (c) ‘Designated Employee’ means :-
 - (i) every employee at the managerial level and above,
 - (ii) Every Executive Secretary / Executive Assistant to every employee at the managerial level & above.
 - (iii) Every employee in the finance department, accounts department, internal audit & control assurance department and legal & secretarial department, and
 - (iv) Such other employee as may be specified by the Compliance Officer to be a designated employee, keeping in mind the objective of this code of conduct.
- (d) “Director” means a member of the Board of Directors of the Company.
- (e) “Employee” means any employee of the Company (whether working in India or abroad) including a Whole-time Director (as that term may be defined by SEBI from time to time), whose name appears in the register of employees maintained by the Company.

- (f) “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.
- (g) “Price Sensitive Information (PSI)” includes any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of Securities of the Company.

Explanation:

The following shall be deemed to be price sensitive information:

- i Periodical financial results of the Company.
- ii Intended declaration of dividends (both interim and final);
- iii Issue of securities or buy-back of securities;
- iv Any major expansion plans or execution of new projects;
- v Amalgamation, mergers or takeovers;
- vi Disposal of the whole or substantial part of the undertaking;
- vii Any significant changes in policies, plans or operations of the Company.

- (h) “Securities” includes:
 - (i) Shares, scrips, bonds, debentures, debenture stock or other marketable securities of like nature.
 - (ii) Puts, calls or any other option on the Company’s Securities even though they are not issued by the Company.
 - (iii) Futures, derivatives and hybrids and
 - (iv) Such other instruments as may be declared to be such by the Compliance Officer from time to time

- 2.2 All terms used in this document, but not defined above shall have the meanings ascribed to them in the Companies Act.

3. Compliance Officer

The Company Secretary or such other officer of the Company as may be designated by the Board of Directors as such, shall be the Compliance Officer (“the Compliance Officer”) for the purposes of the Regulations. The Compliance Officer shall report to the Board of Directors.

4. Role of Compliance Officer

- 4.1 The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, grant of pre-dealing approvals for directors’ / officers’ / designated employees’ and their dependents’ dealing in the Company’s monitoring of such dealings and the implementation of this Code under the overall supervision of the Board of Directors.

- 4.2 The Compliance Officer shall maintain a record of the Designated Employee and of any changes made in the list of Designated Employee (please refer Annexure-1)

- 4.3 The Company Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and this code.
- 4.4 The Compliance Officer shall also implement and oversee the Code of Corporate Disclosure Practices for Prevention of Insider Trading as set out in Schedule II of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (please refer Annexure 2).

5. Responsibilities of Directors, Officers and Employees

5.1 Preservation of Price Sensitive Information

All Directors, Officers and Employee shall maintain strictly confidential all PSI in or coming in their possession or control. To this end, no Directors, Officers or Employee shall:

- i pass on PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities, or
- ii disclose PSI to family members, business acquaintances, friends or any other individual, or
- iii discuss PSI in public places where others might overhear, or
- iv disclose PSI to any Employee who does not need to know the information to do his or her job, or
- v recommend to anyone that they buy or sell the Company Securities while being in possession, control or knowledge of PSI, or
- vi Give others the perception that he/ she is trading on the basis of unpublished PSI.

5.2 Need to Know

Unpublished PSI is to be handled on a “need to know” basis, i.e., Unpublished PSI should be disclosed only to those within the Company who need the same to discharge their duty and whose possession of PSI will not give rise to a conflict of interest or appearance of misuse of the information. All non-public information directly received by any Employee should immediately be reported to the head of the department.

5.3 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc. without prejudice to the above.

6. Trading Window

The Company shall specify a trading period, to be called “Trading Window”, for dealing in the Securities of the Company.

- 6.1 Unless otherwise specified (please refer Annexure 3) by the Compliance Officers, the trading window shall be, inter alia, closed 7 days prior to :-
- (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 / right / bonus etc.

- (d) any major expansion plans or execution of new projects,
- (e) amalgamation, mergers, takeovers and buy-back,
- (f) disposal of whole or substantially whole of the undertaking, and (g) any changes in policies, plans or operation of the Company.

6.2 The trading window shall remain closed during the time the PSI remain unpublished.

6.3 The trading window shall be opened 24 hours after the information referred to in above para is made public.

6.4 All Directors, Officers and Designated Employee shall conduct all their dealing in the Securities of the Company only when the trading window is open and no Directors, Officers or Employee of the Company shall deal in the Securities of the Company during such period when the trading window is closed or during any other period as may be specified by the Compliance Officers from time to time.

6.5 In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of Securities allotted on exercise of ESOPs shall not be allowed when trading window is closed. However, exercise of a “cashless” stock option shall not be allowed when the trading window is closed since this type of exercise requires a sale of the Company’s Securities.

7. Pre clearance of Deals in Securities.

7.1 Applicability

Every Directors, Officers and Designated Employee who (or whose dependent) intends to deal in the Securities of the Company by way of a transaction involving:

- I. more than 25,000 Securities of the Company, or
- II. a consideration price exceeding Rs. 5,00,000/- for the Securities of the Company, or
- III. a volume of Securities exceeding 1% of total shareholding or voting rights in the Company, or
- IV. sale of Securities of the Company before expiry of the holding period prescribed under Clause 7.5 below,

Should obtain a pre-dealing approval for the transactions as per the procedure described hereunder. This is mandatory irrespective of whether or not a trading window is open.

7.2 Procedure

For the purpose of obtaining a pre-dealing approval, the concerned Directors/Officers/ Designated Employee should make an application in the prescribed form (please refer Annexure 4) to the Compliance Officers. Such application should be complete and correct in all respects and should be accompanied by such undertakings, declarations, indemnity bonds and other documents / papers as may be prescribed by the Compliance Officers from time to time.

7.3 Approval

- (a) The Compliance Officers shall consider the application made as above and shall approve it unless he is of the opinion that grant of such approval would result in a breach of the provisions of this Code, or the Regulations or the Companies Act.
- (b) Every approval letter shall be in such format (please refer Annexure 5) as may be prescribed by the Company from time to time. Every approval shall be dated and shall be valid for a period of 7 calendar days from the date of its issue.

7.4 Completion of Pre-cleared Dealing

- (a) All Directors, Officers and Designated Employee shall ensure that they complete execution of every pre-cleared deal in the Company's Securities as above *within 7 calendar days* from the date of the approval and file within 4 days of execution of deal, the details of such deal, with the Compliance Officers in the prescribed format (please refer Annexure 6)
- (b) If a deal is not executed within 7 calendar days as above, the Directors, Officers and Designated Employee must apply to the Compliance Officers for pre clearance of the transaction once again.

7.5 Holding Period

All Directors, Officers and Designated Employee shall hold their investments in Securities for a minimum period of 30 days in order to be considered as being held for investment purposes. In case the sale of Securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officers after recording in writing his/her reasons in this regard.

7.6 Advice regarding Pre-Clearance

In case of doubt, the Directors, Officers and Designated Employee shall be responsible to check with Compliance Officer one of the contact persons as designated by the Compliance Officer from time to time, whether the provisions of this clause 7 are applicable to any particular proposed transaction in the Company's Securities.

8. Reporting Requirements for Transactions in Securities

- 8.1 In addition to complying with the reporting requirements as prescribed under other clauses of this Code, all Directors, Officers and Designated Employee of the Company shall file with the Compliance Officers, inter alia the following details of their/ their dependents' holdings and/ or dealings in the Securities of the Company to the Compliance Officers, within 30 working days of the respective dates.
 - (a) all holdings in Securities of the Company as on the date of joining the Company, (please refer Annexure 7).
 - (b) Quarterly statements of all holdings in Company's Securities.
 - (c) Annual statements of all holdings in Company's securities as on 31st March every year.
 - (d) All transaction as specified in Clause 7.1 above.

In such formats / manner (please refer Annexure 8) as may be prescribed by the Compliance Officers from time to time.

However in case there is no holding and there is no transaction; all Directors, Officers and Designated Employee of the Company, will not be required to send the aforesaid disclosures; unless it is required to be provided under SEBI (SAST) Regulations and/ or SEBI (PIT) Regulations.

8.2 The Compliance Officers shall maintain records of all the above declarations in the appropriate form for a minimum period of three years from the date of filing thereof.

8.3 The Compliance Officers shall place before the Chief Executive Officers, on a monthly basis, all the details of the dealings in the Securities of the Company done by Directors, Officers and Designated Employee of the Company together the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged above.

9. Penalty for Contravention

9.1 Every Directors, Officers and Employee is individually responsible for complying with the applicable provisions of this code (including to the extent the provisions hereof are applicable to his / her dependents).

9.2 Employees, Officers and Directors of the Company who violate this code shall, in addition to other any other action taken by the Company pursuant to law, also be subject to disciplinary action by the Company, which may include fine/ penalty, wage freeze, ineligibility for future participation in employee stock option plans, suspension termination, etc. Such disciplinary action by the Company shall not preclude SEBI from taking any action for violation of SEBI (Prohibition on Insider Trading), Regulations, 1992 or any other applicable laws / rules/ regulations.

10. Enquiries

For any questions regarding whether they have PSI, the Directors, Officers, and Employee may also contact the Compliance Officer of the Company.

ANNEXURE 1

REGISTER OF DESIGNATED EMPLOYEES

[To be maintained by the Compliance Officer]

Emp. No.	Name of Employee	Designation	Dept.	Name of Dependent	Date of Joining	Date of ceasing	Remarks

Code of Corporate Disclosure Practices for Prevention of Insider Trading

Corporate Disclosure Policy to ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed by the company Overseeing and co-ordinating disclosure.

The Company has appointed the Compliance Officer to oversee corporate disclosure. The Compliance Officer shall be responsible for ensuring that the company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, shareholders etc. and educating staff on disclosure policies and procedure.

Prompt disclosure of price sensitive information

The Department heads shall send any Price Sensitive Information, which is proposed to be shared with the shareholders and media, to the Chairman/ Manager/ CEO for his advance approval. Where the disclosure of information is approved by the Chairman and Managing Director, a copy of the approval shall be forwarded to the Compliance Officer who shall further disseminate such price sensitive information to stock exchanges on a continuous and immediate basis.

If information is accidentally disclosed without prior approval, the person responsible may inform the Compliance officer or the Chairman Manager/ CEO immediately, even if the information is not considered price sensitive.

Responding to market rumors

The Compliance Officer shall immediately consult the concerned Departmental head for verification of any market rumours or queries forwarded by the Stock Exchanges. The Compliance Officer or the concerned Departmental head shall reply to the queries or requests for verification of market rumours within 48 hours of receipt or such further period as may be allowed by the Stock Exchange. As and when necessary the Compliance Officer may in consultation with the Chairman and Managing Director make a public announcement for verifying or denying rumours before making the disclosure.

Timely Reporting of shareholdings, ownership and changes in ownership:

Disclosure of shareholdings, ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the SEBI Act and the listing agreement shall be made in a timely and adequate manner.

Disclosure, dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors The Company shall follow the guidelines given hereunder while dealing with analysts and institutional investors:-

- i. Only Public information to be provided The Company shall provide only public information to analysts, research persons, large investors like institutions. No Price Sensitive information shall be disclosed to analysts, research persons, large investors unless prior confirmation from the Compliance officer is received that the said price sensitive

information has been made public. The information given to the analyst shall be simultaneously made public by issue of Press Release/ otherwise.

- ii. Recording of Discussion In order to avoid misquoting or misrepresentation, it is desirable that at least two company representatives be present at meetings with analysts, brokers or Institutional Investors and discussions should preferably be recorded.
- iii. Handling of Unanticipated Questions the Company's representatives shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussions. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

Medium of Disclosure/ Dissemination

The Company shall ensure that disclosure/ dissemination of information is done promptly to the Stock Exchange. The Company may also facilitate disclosure through the use of internet website.

DRAFT FOR INTIMATING CLOSURE OF TRADING WINDOW

Subject: Urgent: Insider Trading- Restrictive period

Dear All Directors, Employees of Associated Finman Ltd.

The Board meeting for approving _____ shall be held in the _____ week of _____.

In view of this, as per the Company's Code of Conduct for prevention of Insider Trading, I request all of you to refrain from trading in the Company's shares with immediate effect till the expiry of 24 hours after the public announcement of _____ is made.

Any contravention of the above will be offence under the SEBI Act, 1992 Regulations and punishable with imprisonment for term up to one year and/or with penalty up to Rs.5,00,000/-.

In case you have any doubts, please contact the Compliance Officer of the Company.

Thanks for your co-operation in this regard,

APPLICATION FOR PRE - DEALING APPROVAL

To
Mr. _____
Compliance Officer
Associated Finman Ltd

Dear Sir,

Subject: Application for Pre-Dealing Approval

My personal details are as under:

Name of the Employee	
Employee No. & Grade	
Department	

I and my dependents propose to buy/sell _____ equity shares of _____ Ltd as under:

Nature of Transaction (Whether “Buy” or “Sell”)	Name of Proposed Buyer/Seller	No. of Equity Shares to be Bought/Sold	*Date of Purchase/ allotment

*applicable if application is to sell _____ Ltd shares

I hereby declare that neither me nor my dependents are in possession of or otherwise privy to unpublished Price Sensitive Information (as defined in the Company’s Code of Conduct for prevention of Insider Trading).

I further declare that I have disclosed all unpublished Price Sensitive Information in possession/ knowledge to the head of my department.

I am aware that I shall be liable to face penal consequences as set forth in the Company’s Code of Conduct for prevention of Insider Trading, in case the above declarations are found to be false or incorrect at any time.

I hereby indemnify the Company and its Directors from and against any penalties imposed on them by the Securities and Exchange Board of India and/or any other statutory authorities as a result of violation of the SEBI (Prohibition of Insider Trading) Regulations 1992 and the Company’s Code of Conduct.

Yours faithfully,

_____ (Signature)

Date:

PRE-DEALING APPROVAL LETTER

Date: _____

Sr. no. _____

To

Name: Mr. _____

Emp No. : _____

Designation: _____

Location: _____

Subject: Pre-Dealing Approval – _____ Ltd's Shares

With reference, to your application dated _____ seeking approval for undertaking certain transactions in the equity shares of the Company, please be informed that you are hereby permitted to undertake the said transaction(s). You may buy/sell not more than _____ equity shares of the Company pursuant to this approval letter.

This approval is being issued relying on the various declarations and indemnities made by you in your said application.

This approval letter is valid till _____ (i.e. for 7 days) . If you don't execute the approved transaction /deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/ deal. Further, you are required to file the details of the executed transactions in the attached format within 4 days from the date of transaction/deal.

Yours truly,

For Associated Finman Ltd

Compliance Officer

Encl: Format for submission of details of transaction

FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS
(To be submitted within 4 days of transaction/deal)

To
Mr. _____
Compliance Officer
Associated Finman Ltd
.....

Dear Sir,

Subject: Details of Pre-approved Transaction

Ref: Your Approval letter no. _____ dated _____

This is to inform you that I/my dependents have bought/sold _____ equity shares of the Company. Thus I/my dependents have duly completed the transaction(s) in the equity shares of the Company as approved by you vide your above said approval letter.

In this connection, I undertake to preserve for a period of 3 years and produce to the Compliance Officer/ SEBI any of the following documents:

1. Broker's contract note
2. Proof of payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions)

I declare that the above information is correct and that no provisions of the Company's Code of Conduct for prevention of Insider Trading and/or applicable laws have been contravened in relation to conduct or completion of the above transaction(s).

Please contact me on _____ in case you need further information/clarifications.

Yours truly,

Sign: _____

Name: _____

Emp No: _____

Location: _____

FORM FOR DISCLOSURE OF PARTICULARS BY DIRECTOR/ OFFICERS/ DESIGNATED EMPLOYEES

To,
Mr. _____, Compliance Officer,
Associated Finman Ltd
.....

Name of the Employee	
Employee No. & Grade	
Department	

Declaration

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, I declare that I have the following dependents:

S.No.	Name of Dependent	Relationship with Director/ Officer/Designated Employee
1.		
2.		
3.		
4.		
5.		
6.		

I further declare that I and my above mentioned dependents collectively hold _____ shares of Associated Finman Limited as follows:

Name of Holder*	Physical Holdings			Electronic Holdings		
	Folio No.	Cert. No.	Total holdings	DP ID	Client ID	Total holdings

* Include holdings where Director/ Officer/ Designated Employee or dependant is a joint holder. I hereby undertake to promptly inform you about any changes in the above details.

Date: _____ Sign: _____
Place: _____ Name: _____

ANNEXURE VIII

FORMAT OF QUARTERLY/ ANNUAL STATEMENTS OF HOLDINGS BY
DIRECTOR/ OFFICER/EMPLOYEES AND THEIR DEPENDANTS

To
Mr. _____
Compliance Officer
Associated Finman Ltd
.....

Dear Sir,

Re: *Quarterly disclosure of Securities Transactions and shareholding as on __.__.200__*

The details of the Securities Transaction of the undersigned as Director and dependent family members during Quarter ended on _____, ____ are as under:

Securities Transaction during the Quarter ended on _____

Particulars	Self	Dependent Family Members
No. of Shares held on _____		
No. of shares bought during the quarter		
No. of shares sold during the quarter		
No. of Shares held on _____		

We hope that you will find the same in order.

Thanking you.

Sign: _____

Name: _____

Designation: _____