



IFCI Venture Capital Funds Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders

(1) This Code of Conduct and Corporate Disclosure Practices and Procedures for Prevention of Insider Trading in Securities of IFCI Venture Capital Funds Limited and its Client Companies may be known as "**IFCI Venture Capital Fund Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders**" hereinafter referred to as the "Code of Conduct".

(2) This Code has been made pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time and may be modified by the Board of Directors or by the person authorized by the Board of Directors of the Company from time to time.

(3) Definitions –

For the purpose of this Code of Conduct –

- (a) "Act" means the Securities and Exchange Board of India Act, 1992.
- (b) "Board" means the Securities and Exchange Board of India.
- (c) "Body Corporate" means a body corporate as defined under Companies Act, 2013.
- (d) "Client Company" means and includes the listed companies which are assisted by IFCI Venture Capital Funds Ltd. ("IFCI Venture") financially or otherwise or in respect of which IFCI Venture has obtained any kind of assignment. It also includes those listed companies whose shares are pledged with IFCI Venture or is undergoing one time settlement with IFCI Venture.
- (e) "Companies Act" means the Companies Act, as applicable and as in force from time to time.
- (f) "Company" means IFCI Venture Capital Funds Limited;



- (g) "Compliance Officer" means the senior officer, designated so and reporting to the Board of Directors of the Company, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors. For the time being the Compliance Officer shall be the Company Secretary of IFCI Venture Capital Funds Limited.
- (h) "Connected Person" means:-
- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relation or by being a director, officer or an employee of the IFCI Venture or holds any position including a professional or business relationship between himself and IFCI Venture whether temporary or permanent that allows such person, directly or indirectly access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) 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) immediate relative of connected person specified in clause (i); or
 - (b) a holding/associate/subsidiary company; or
 - (c) an intermediary as specified in Section 12 of the Act or an employee or director thereof. Intermediary specified are stock broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market; 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 the 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; or
 - (j) a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than 10% of the holding or interest.
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- (i) "Directors" means the members of the Board of Directors of IFCI Venture Capital Funds Limited.
 - (j) "Designated Person" means the Chairman of the Board of Directors of the Company / Director / Officer / Designated employee / Auditors / Legal Counsel/ Consultants, etc of the Company and such other person or persons who may be so designated by the Company from time to time for the purpose of these Regulations.
 - (k) "Generally available information" means information that is accessible to the public on a non-discriminatory basis.
 - (l) "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.
 - (m) "Insider" means any person who, is a connected person or in possession of or having access to unpublished price sensitive information.
 - (n) "Promoter" shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. And as per the said regulations promoter means the person or persons who are in control of the Company or the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified



securities are offered to public or the person or persons named in the offer document as promoters. However, a director or officer of the Company if acting as such merely in his professional capacity, shall not be deemed to be promoter. Also a financial institution, scheduled bank, foreign institutional investor and mutual fund shall not be deemed to be a promoter merely by virtue of the fact that 10% or more of the equity share capital of the Company is held by such person. Also such financial institution, scheduled bank, foreign institutional investor shall be treated as promoter for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

- (o) "Regulations" means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- (p) "Securities" shall have the meaning assigned to it under the Securities Contract Regulation) Act, 1956. Accordingly securities include shares, scrips, stocks, bonds, debenture, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate or derivative or units or any other instrument issued by any collective investment scheme to the investors in such schemes.
- (q) "Specified" means specified by the Securities Exchange Board of India in writing.
- (r) "Takeover Regulations" means the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 and any amendment thereto, and applicable from time to time.
- (s) "Trading" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities and includes pledge of shares and "trade" shall be constructed accordingly.
- (t) "Trading Day" means a day on which the recognised stock exchanges are open for trading.



- (u) "Trading Window" means a trading period for trading in the Securities of IFCI Venture Capital Funds Limited or Client Company, as specified by the company from time to time.
- (v) "Unpublished Price Sensitive Information" means any information, relating to a 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 securities and shall ordinarily include but not restricted to information relating to the following:-
 - (i) Financial Results;
 - (ii) Dividends;
 - (iii) Change in capital structure;
 - (iv) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) Changes in key managerial personnel; and
 - (vi) Material events in accordance with the listing agreement.
- (w) All other words and phrase not specifically defined herein will have the same meaning as defined under these Regulations (as amended) from time to time as also under the SEBI Act, SCRA, Depositories Act, Companies Act.

(4) **Compliance Officer**

(i) The Company Secretary will be the Compliance Officer for the purpose of this Code of Conduct.

(ii) The Compliance Officer will report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by the Board of Directors. The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of "Unpublished Price Sensitive Information", monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors. Compliance Officer through Department Heads/Regional Office Head shall be responsible for pre-clearing of designated employees' and their dependents' trades, monitoring of trades and the implementation of the Code of Conduct.



(iii) The Compliance Officer shall provide consultation to the Board of Directors to specify and maintain a record of the designated persons (employees and connected persons) to be covered by this code on the basis of their role and functions in IFCI Venture. While identifying the designated persons due regard shall be given to the access such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

(iv) The Compliance Officer shall assist the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code of Conduct.

(5) **Handling of Information on Need to Know Basis and Adoption of Chinese Wall Policy**

(i) All information shall be handled within IFCI Venture on need-to-know basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of Insider's legitimate purpose, performance of duties or discharge of his legal obligations.

(ii) To prevent the misuse of confidential information the company shall adopt a "Chinese Wall Policy" which separate those areas of the company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale / marketing / investment advise or other departments providing support services, considered "Public Areas".

(iii) The employees in the inside area shall not communicate any unpublished price sensitive information to anyone in public area.



(iv) The employees in inside area may be physically segregated from employees in public area. Demarcation of the various departments as inside areas may be implemented by the company.

(v) In exceptional circumstances employees from the public area may be brought “over the walls” and given confidential information on the basis of “need to know” criteria, under intimation to the compliance officer.

(6) **Applicability of the code to the Designated Persons**

(i) This Code of Conduct shall be applicable to the Directors/Officers/Employees and their connected person as defined herein. The Code shall also be applicable on any person/entity having contractual and fiduciary relation with the company, such as Auditors, Accountancy Firms, Law Firm, Analyst, Consultants, etc, assisting or advising the company.

(ii) The Board of Directors shall in consultation with the Compliance Officer may periodically review the list of designated persons on the basis of their functional role in the organization. Due regards shall also be given to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

(7) **Prevention of misuse of “Unpublished Price Sensitive Information”**

Designated persons may execute trades subject to compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Towards this end the following framework is put in place:-

(A) **Trading Window**



(i) A notional trading window will be closed before 9 days of the happening of consideration by the Board of Directors of the following events; when the happening of events is unknown:-

- (a) Financial Results;
- (b) Dividends;
- (c) Change in capital structure;
- (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (e) Changes in key managerial personnel; and
- (f) Material events in accordance with the listing agreement.

(ii) The trading window will also be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

(iii) Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

(iv) The Compliance Officer shall determine the time of re-opening of trading window considering various factors including unpublished price sensitive information becoming generally available and the trading window in any case shall not be re-opened earlier than forty-eight hours after the information becomes generally available.

(v) The trading window shall also be applicable on any person having contractual and fiduciary relation with the company, such as Auditors, Accountancy Firm, Law Firms, Analysts, Consultants, etc, assisting or advising the company.

(B) **Pre-Clearance of Trades**



- (i) When the trading window is open, any trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above the value of Rs. 5 lakh at any time or above the value of Rs.10 lakh during a financial year.
- (ii) If any designated person(s) is in possession of unpublished price sensitive information, he shall not apply for pre-clearance of trades, even if the trading window is open.
- (iii) The Compliance Officer shall confidentially maintain a list of such securities as "restricted list" and shall use such list as the basis for approving or rejecting applications for pre-clearance of trades.
- (iv) The Compliance Officer shall seek declarations from persons applying for pre-clearance of trades, declaring that he/she is not in possession of unpublished price sensitive information, at the time of making application for pre-clearance for trade. The Compliance Officer shall also decide whether the declaration is inaccurate / reasonably capable of rendering inaccurate.
- (v) The trades in respect of which pre-clearance has been obtained shall be executed by the designated persons, within 7 trading days from the date of pre-clearance, failing which fresh pre-clearance would be required to be taken to execute trades.
- (vi) A designated person shall not execute a contra trade for a period of at least six months from the date of execution of trade. However, the Compliance Officer may relax the restriction of execution of contra trade, upon reasons to be recorded in writing, if such relaxation does not otherwise violate the insider trading regulations. If any contra trade is executed inadvertently or otherwise, in violation of such restrictions, the profits from such trade shall be liable to be forfeited/disgorged for remittance to SEBI for credit to the Investor Protection Education Fund.



(vii) All applications by designated person(s) for pre-clearance of trades be made in format annexed as **Annexure-1**

(C) **Trading Plans**

- (i) An Insider who may be perpetually in possession of unpublished price sensitive information, may trade in securities of the Company in a compliant manner through formation of "Trading Plan". He/she shall formulate a trading plan and make an application to the Compliance Officer for approval of the trading plan formulated by him/her. The application must specify the number of securities or the value of trades along with the nature of trade and the intervals at or the dates on which the insider intends to deal in, the details of securities he/she already has and the details as to the depository participant(s) with which he/she has a security account should be indicated.
- (ii) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall seek an undertaking from the designated persons in favour of the Company stating:
 - (a) That he/she does not have any access or has not received "Unpublished Price Sensitive Information" up to the time of signing the undertaking.
 - (b) That in case he/ she has access to or receive "Unpublished Price Sensitive Information" after the signing of undertaking but before the execution of transaction he/she shall inform the Compliance Officer of the change in his /her position. Further he/she would completely refrain from dealing in the securities of the Company/Client 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 a full and true disclosure in the matter.
- (e) That he/she shall not commence trading earlier than 6 months from the public disclosure of the plan.
- (f) That he/she shall not trade for the period between the 20th trading day prior to the last day of any financial period for which results are required to be announced by the Company and 2nd trading day after the disclosure of such financial results.
- (g) That he/she shall not execute a trading plan for period less than 12 months.
- (h) That he/she shall not execute a trading plan for overlapping period.
- (i) That he/she shall not execute a trading in securities for market abuse.
- (iii) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchange on which securities are listed. Only after receiving the clearance, the transaction should be carried out.
- (iv) The Trading plan once approved by the Compliance Officer shall be irrevocable and the insider shall mandatorily have to implement the plan, without deviating from it or executing any trade outside the scope of the trading plan.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become



generally available at the time of commencement of implementation of plan. The Compliance Officer shall confirm that the commencement of trading plan is deferred until such unpublished price sensitive information becomes generally available, so as to avoid any violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

- (v) All applications by designated person(s) for pre-clearance of trades be made in the format annexed as **Annexure -2**.

(8) **Disclosure/Reporting Requirement of Trading by Insiders**

All Directors / Officers / Employees / Designated Person / Immediate relatives will have to forward details of their securities transactions including the statement of their dependent family members to the Compliance Officer in the following manner.

(A) **Initial Disclosure**

i) Every Promoter, Director, Key Managerial Personnel of the Company shall disclose his/her/their holding of listed securities as on the date these regulation comes into effect, to the Compliance Officer.

ii) Every person on appointment as Director or Key Managerial Personnel or upon becoming promoter of the company shall disclose his/her/their holding of listed securities of the company as on the date of appointment or becoming promoter within 7 days of such appointment or becoming promoter.

(B) **Continual Disclosure**



i) Every Promoter, Director and employee shall disclose to the Compliance Officer the number of such securities acquired or disposed of, within 2 trading days if the value of securities traded whether in one or series of transactions over any calendar quarter exceeds Rs. 10 lakh or such other value as may be specified.

ii) The Company shall notify the particulars of such trading to the stock exchange within 2 trading days of receipt of disclosure or becoming aware of such information.

(C) Disclosure by other connected person

IFCI Venture may at its discretion require any other connected person or class of connected person to make disclosures of holdings and trading in securities of IFCI Venture in such form and such frequency as may be determined by the Board of Directors, in order to monitor compliance with these regulations.

(D) Other Disclosure Requirement

i) The Directors/ Key Managerial Personnel/ Employees/ Connected Persons or class of Connected Persons shall submit a half yearly statement of any transaction in securities of IFCI Venture/ Client Company. If there is no transactions during the half year, then "NIL" statement is not required to be submitted.

ii) The Directors/ Key Managerial Personnel/ Employees/ Connected Persons or class of Connected Persons shall submit annual statement of all holding in securities of IFCI Venture/ Client Company to be submitted within 30 days of the close of the financial year.



iii) The Compliance Officer shall place before the CEO & Managing Director on monthly basis all the details of dealing in the securities by Directors/ Key Managerial Personnel/ Employees of the Company and the accompanying document that such persons had executed under the pre-dealing procedure as envisaged in this code. The reports shall be placed before the Chairman of Audit Committee of Directors, every year after close of Financial Year and submission of individual reports by the concerned persons to the Company.

iv) The Compliance Officer shall maintain records of all the declarations/disclosures in the appropriate form given by Directors/ Key Managerial Personnel/ Employees/ Connected Persons or class of Connected Persons for a minimum period of five years.

(9) Penalty for contravention of Code of Conduct

i) All Directors/ Key Managerial Personnel/ Employees/ Designated Persons who trade in securities or communicate any information for trading in securities in contravention of this Code of Conduct will be penalized and appropriate action will be taken against them by the company after giving reasonable opportunity to them to show cause. They shall also be subject to disciplinary action including wage freeze, suspension, and ineligibility for future participation in ESOPs etc.

ii) In addition to the action, which the Company may take, the persons violating these Regulations will also be subject to action by SEBI as per SEBI Act. In case of any violation, the Company shall inform SEBI accordingly.

(10) Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.



In case it is observed by the company/ compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the company.

(11) **This Code will come into effect from May 15, 2015.**

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Annexure-1

Application for pre-clearance of Trade in the securities of IFCI Venture

(In terms of IFCI Venture Capital Funds Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders)

To

The COMPLIANCE OFFICER



I(Name)
(Designation),.....
 employee no.....is desirous of Trading* in securities of IFCI Venture
 (specify the nature of Trade). My holding as on date is.....No.
 of securities (specify the nature of securities, i.e. shares, bonds, infrastructure
 bond, etc.). And after the transaction it will become.....

I hereby declare that:

- (I) I do not have any access or has not received “unpublished price sensitive information” upto time of making this application/declaration;
- (II) I shall execute the pre-cleared trades within 7 trading days from the date of pre-clearance , failing which I shall obtain fresh pre-clearance to execute trades;
- (III) I shall not execute a contra trade for a period of at least six months from the date of execution of trade;
- (IV) I shall remit profits earned from execution of contra trade executed inadvertently or in violation of restrictions imposed;
- (V) I have not, at any time, contravened the code of conduct for prevention of insider trading as notified by the company from time to time; and
- (VI) The disclosure made by me is full and true to the best of my knowledge and belief. —

I hereby undertake to inform of any change in my position relating to access of unpublished price sensitive information, after signing this undertaking but before execution of transaction and will refrain from dealing in the securities of the company till the time such information becomes public.

Signature of the Applicant.....

Date.....

*Trading means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in securities and includes pledge of securities.



[For Office Use Only]

Application No.....

The Above Transaction is cleared for trade/refused clearance.

Reasons for refusal (If Applicable):

Name of the Authority.....

Designation.....

Date.....

Application for pre-clearance of Trade in the securities of Client Companies

(In terms of IFCI Venture Capital Funds Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders)

To

The COMPLIANCE OFFICER

I.....(Name)

.....(Designation),.....

employee no.....is desirous of Trading* in securities (specify the nature of Trade) of.....(specify the name of the Company). My holding as on date is.....No. of securities (specify the nature of securities,



i.e. shares, bonds, infrastructure bond, etc.). And after the transaction it will become.....

I hereby declare that:

- (I) I do not have any access or has not received "unpublished price sensitive information" upto the time of making this application/declaration;
- (II) I shall execute the pre-cleared trades within 7 trading days from the date of pre-clearance , failing which I shall obtain pre-clearance to execute trades;
- (III) I shall not execute a contra trade for a period of at least six months from the date of execution of trade;
- (IV) I shall remit profits earned from execution of contra trade executed inadvertently or in violation of restrictions imposed;
- (V) I have not, at any time, contravened the code of conduct for prevention of insider trading as notified by the company from time to time; and
- (VI) The disclosure made by me is full and true to the best of my knowledge and belief. ___

I hereby undertake to inform of any change in my position relating to access of unpublished price sensitive information, after signing this undertaking but before execution of transaction and will refrain from dealing in the securities of the company till the time such information becomes public.

Signature of the Applicant.....

Date.....

*Trading means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in securities and includes pledge of securities.



[For Office Use Only]

Application No.....

The Above Transaction is cleared for trade/refused clearance.

Reasons for refusal (If Applicable):

Name of the Authority.....

Designation.....

Date.....

Annexure-2

Application for Approval of Trading Plan by Insiders

(In terms of IFCI Venture Capital Funds Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders)



To

The COMPLIANCE OFFICER

I.....(Name).....
(Nature of concern/ relation),.....
(Address) having de-mat account no.
with.....

..... propose to buy/sell/pledge/otherwise deal* in
.....No. of / Value of securities of IFCI Venture
on/during.....dates/intervals (detailed Trading Plan is to be
given in separate sheet). My holding as on date is.....No. of
securities.

I hereby declare that:

- (I) I do not have any “unpublished price sensitive information” at the time of making this application/declaration;
- (II) I shall not commence trading before 6 months from the public disclosure of the plan;
- (III) I shall not trade for the period between the 20th trading day prior to the last day of any financial period for which results are required to be announced by the Company till the 2nd trading day after the disclosure of such financial results;
- (IV) I shall not execute a trading plan for a period less than 12 months ;
- (V) I shall not execute a trading plan for overlapping period;
- (VI) I shall not executive trading in securities for market abuse;
- (VII) I have not, at any time, contravened the Code of Conduct for prevention of insider trading as notified by the company from time to time and shall abide by the Code of Conduct;
- (VIII) The disclosure made by me is full and true to the best of my knowledge and belief. and



(IX) I understand that upon approval of the Trading Plan, it will become irrevocable and I shall have to mandatorily implement the plan, without deviating from it or executing any trade outside the scope of the Trading Plan.

I hereby undertake to inform you of any change in my position relating to access of unpublished price sensitive information, after signing this undertaking but before execution of the transaction and will refrain from dealing in the securities if the company till the time such information becomes public.

Signature of the Applicant.....

Date.....

*Strike Out whichever is not applicable

[For Office Use Only]

Application No.

The Above Trading Plan Approved/Rejected.

Reasons for refusal (If Applicable):

Name of the Authority.....

Designation.....

Date.....