

KEYNOTE

Ref # Key22/Stock Exchange Let/Rc(5)

11th February, 2022

The Manager
BSE Limited
Listing Department,
PhirozeJee jeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 512597

The Manager
National Stock Exchange of India Ltd.,
Listing Department,
Exchange Plaza, C-1, Block – G,
BandraKurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: KEYFINSERV

Dear Sir/Madam,

Sub: Amendment in Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015

In reference to the above subject, we wish to inform you that the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 of the company is amended in view of the recent amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is approved by the Board of Directors of the Company in its meeting held today i.e. 11th February, 2022.

Please find enclosed the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the company. The revised Code will also be made available on the company's website www.keynoteindia.net.

Kindly take the above on your record.

Thanking you and assuring you of our best co-operation at all times.

Yours sincerely,
For **Keynote Financial Services Limited**


Uday S. Patil
Director
DIN:00003978



Encl: As Above

Keynote Financial Services Limited

(formerly known as Keynote Corporate Services Limited)

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028

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CIN-L67120MH1993PLC072407

**Code of Practices and Procedures for Fair
Disclosure of Unpublished Price Sensitive
Information**

Keynote Financial Services Limited

KEYNOTE FINANCIAL SERVICES LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

1. PREAMBLE

Securities and Exchange Board of India (SEBI) had on January 15, 2015 notified SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. These regulations are further amended vide SEBI Notifications dated December 31, 2018 as SEBI(Prohibition of Insider Trading) (Amendment) Regulations, 2018 and on January 21, 2019 as SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

In terms of the Regulations, it is mandatory for every listed Company to formulate a specific Code of Fair Disclosure of Unpublished Price Sensitive Information.

In order to comply with the requirement of the Regulations, Keynote Financial Services Limited ("the Company") had formulated and adopted a specific Code of Fair Disclosure of Unpublished Price Sensitive Information.

This revised Code seeks to ensure timely, fair and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

2. DEFINITIONS

"Compliance Officer" for the purpose of this Code means the Company Secretary of the Company. In absence of the Company Secretary, the Board of Directors may authorize such other officer of the company to discharge the duties of Compliance Officer under the regulations.

"Chief Investor Relations Officer" means the Compliance Officer of the Company.

"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 the securities and shall, ordinarily including but not restricted to, information relating to the following:

- a) Financial Results
- b) Dividends;
- c) Change in capital structure;

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- d) Buy-Back of Securities, Mergers, de-mergers, acquisitions, delisting, disposals and expansion of Business and such other transactions;
- e) Changes in key managerial personnel.

3. CODE OF FAIR DISCLOSURE

To achieve the objective of this Code, the Company will adhere to the following principles to ensure timely and adequate disclosure of price sensitive information with respect to it and its Securities which are likely to affect price of the securities:

1. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel, if any, is not unpublished price sensitive information.
7. The Company shall develop and follow best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosure made.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis.

4. LEGITIMATE PURPOSE

The unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes as per its “Policy for determination of Legitimate Purpose” attached as Schedule I to the Code of Fair Disclosure, provided it is not shared to evade or circumvent the prohibition under SEBI Regulations.

5. REVIEW OF COMPLIANCES OF THE CODE AND VERIFICATION OF INTERNAL CONTROL SYSTEM

The Audit Committee of the Company shall review compliance with the provisions of this Code and Prevention of Insider Trading Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

The Board is authorized to amend or modify this Code in whole or in part and may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

This Code shall be disclosed on the official website of the Company.

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.

This Code has been adopted by the Board of Directors in its meeting held on 11th February, 2022 and it shall be effective from same day. This Code is subject to be reviewed by the Board of Directors from time to time.

Subsequent modification(s) / amendment (s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES”

(Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018)

This Policy is formulated to comply with the provisions of Regulation 3(2A) of the SEBI Regulations as amended from time to time. This policy, is a part of “Codes of Fair Disclosure” formulated under Regulation 8 of SEBI Regulations, will be known as “Policy for Determination of Legitimate Purposes” hereinafter referred to as “Policy”.

1. Objective

The objective of this policy is to identify Legitimate Purposes for performance of duties or discharge of legal obligations, which will be considered as exceptions for the purpose of procuring UPSI relating to the Company or its listed securities or proposed to be listed securities, if any.

2. Legitimate purpose

- ✓ As per Explanation to Regulation 3(2A) of SEBI Regulations, the term “Legitimate Purpose” is defined as an illustration which includes sharing of UPSI in the ordinary course of business by an insider 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 SEBI Regulations.
- ✓ Accordingly, apart from sharing of UPSI as mentioned above, “Legitimate Purpose” shall also include the following:
 - UPSI shared with any person on need-to-know basis;
 - UPSI shared for performance of duties or discharge of legal obligations;
 - UPSI shared with any regulatory authorities including stock exchanges on the basis of order / communication received from them;
 - UPSI share with any persons / third parties for any purpose not mentioned above for a genuine or reasonable purpose subject to authorization by Board.

3. Notice to recipient of UPSI

Any person who is in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of SEBI regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with SEBI Regulations.

4. Maintenance of Structure Digital Database

A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom UPSI is shared for legitimate purposes along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available.

Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

POLICY OF “PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI”

The Company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by Board of Directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

IDENTIFICATION OF UPSI AND MAINTAINING ITS CONFIDENTIALITY

All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of this Code and PIT regulations;

DIGITAL DATABASE OF PERSONS WITH WHOM UPSI IS SHARED

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

Such databases shall be maintained with adequate internal controls and such as time stamping and audit trails to ensure non-tampering of the database.

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PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT 'INSIDE' ON SENSITIVE TRANSACTIONS

The Board of Directors of the Company shall decide on how and when any person(s) should be brought 'inside' on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partner(s), collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose.

✓ Legitimate Purpose shall include the following:

- UPSI shared with any person on need-to-know basis;
- UPSI shared for performance of duties or discharge of legal obligations;
- UPSI shared with any regulatory authorities including stock exchanges on the basis of order / communication received from them;
- UPSI share with any persons / third parties for any purpose not mentioned above for a genuine or reasonable purpose subject to authorization by Board.

INTIMATION OF DUTIES AND RESPONSIBILITIES AND THE LIABILITY TO THE PERSON(S) WHO HAS/HAVE BEEN BROUGHT INSIDE' ON SENSITIVE TRANSACTION(S)

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons for the following purposes:

1. To make to such person that the information shared is or would be confidential.
2. To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
3. To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

INTERNAL CONTROL SYSTEM

The Board of Directors shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and Prevention of Insider Trading Regulations to prevent insider trading.