

## GENESIS FINANCE COMPANY LIMITED

### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

#### Preface:

Securities and Exchange Board of India (SEBI) vide Gazette notification no. LAD-NRO/GN/2014-15/21/85 dated 15<sup>th</sup> January 2015 had issued **Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015** ("Regulations").

As per Regulation 8 (1) of the said Regulations, every listed Company is to formulate and publish the same on its official website a code of practices and procedures for fair disclosure of unpublished price sensitive information ("UPSI") in manner as prescribed therein.

As per Regulation 3(2A) of Regulations requires a listed Company to formulate a policy for determination of "legitimate purposes" ("Policy") as a part of "Codes of Fair Disclosure and Conduct" formulated under these regulations

Accordingly, in compliance of the aforementioned requirement of the Regulations, the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" ("Code") & ("Policy") is hereby framed as under:

#### Definitions:

- a) The term "**legitimate purposes**" shall include 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 said Regulations.
- b) "**Unpublished Price Sensitive Information**" means any information, relating to the company or its securities, directly or indirectly, that is not generally available which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: -
  - 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;
  - vi. Other terms not specifically defined here shall have the same meaning as assigned under the said Regulations.
- c) "**Compliance Officer**" means any senior officer, designated so and reporting to the board of directors or head of the organization, in case board is not there, 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 the 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 of the listed company or the head of an organization, as the case may be. "Financially Literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Compliance Officer of GENESIS FINANCE shall be a senior officer or any other Director of its Board of Directors or such other personnel so designated in this regard as specified under the code for ensuring necessary compliances therein.

- d) **"Insider"** means any person who is:
- a. a connected person; or
  - b. in possession of or having access to unpublished price sensitive information.

**Note:** It may be clarified here that anyone in possession of or having access to unpublished price sensitive information should be considered an "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

- e) **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

**Code:**

1. GENESIS FINANCE shall make Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. The UPSI will be disclosed publicly via first intimating to the Stock Exchange.
2. GENESIS FINANCE shall ensure uniform and universal dissemination of UPSI to avoid selective disclosure.
3. Compliance Officer/ any other officer designated in this regard shall deal with dissemination of information and disclosure of UPSI and to implement fair disclosure norms hereunder.
4. GENESIS FINANCE shall ensure that any UPSI which gets disclosed selectively or inadvertently, is promptly disseminated through Stock Exchanges and made generally available.
5. GENESIS FINANCE shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

6. GENESIS FINANCE shall ensure that information shared with analysts and research personnel is not UPSI.
7. GENESIS FINANCE shall ensure prompt publication/disclosure of policies such as those on dividend, inorganic growth pursuits etc. if any set to be put in public domain, calls meetings with analysts, publication of transcripts of such calls and meetings, with the intent of ensuring asymmetry of information available in public domain.
8. GENESIS FINANCE shall develop 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 disclosures made.
9. GENESIS FINANCE shall ensure that all Unpublished Price Sensitive Information are handled on a need-to-know basis.
10. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of the Regulations and due notice shall be given to such person(s) to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations.
11. A structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared along with the Permanent Account Number or any other identifier authorised by law where Permanent Account Number is not available shall be maintained. 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.
12. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **Policy for determination of legitimate purpose for disclosure of unpublished price sensitive information**

#### **1. Purpose of Policy**

This policy is for the purpose of preservation, communication and procurement of UPSI for legitimate purpose.

#### **2. Communication of UPSI**

- i. An insider shall not communicate, provide, or allow access to any UPSI, relating to GENESIS FINANCE or its securities listed with stock exchanges, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ii. Insiders shall share the UPSI with the external agencies only in the interest of the GENESIS FINANCE and/or in compliance with the requirements of the law.
- iii. It is an obligation on all insiders who are essentially persons in possession of UPSI to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.
- iv. Sharing of information may be construed as insider trading even while it is in pursuit of compliances required or business interests of GENESIS FINANCE in appropriate circumstances.0 The person who has the UPSI should ideally recuse himself from assigned task of sharing the UPSI with third parties in such doubtful cases to avoid any adverse inferences in this regard.

### **3. Procurement of UPSI**

- i. No person shall procure from or cause the communication by any insider of UPSI, relating to GENESIS FINANCE or its securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- ii. It is intended to impose a prohibition on unlawfully procuring, possession of UPSI from Insider or GENESIS FINANCE.
- iii. Inducement and procurement of UPSI not in furtherance of one's legitimate duties and discharge of obligations would be considered as illegal under this code and Insider Trading regulations.

### **4. Sharing of UPSI pursuant to Legitimate Purpose**

- i. Any person in receipt of UPSI pursuant to a "legitimate purpose" shall also be considered an "insider" for purposes of this Code and Insider Trading Regulations.
- ii. Accordingly, the Compliance Officer or the sender of UPSI shall give a due notice to the recipient of UPSI, as
  - a. To make aware such person that the information shared is or would be UPSI.
  - b. To make aware to such person the duties and responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted.
  - c. To instruct such person to maintain confidentiality of such UPSI in compliance with this Code and Regulations.
- iii. The Designated Person who is sharing the UPSI with anyone shall ensure that the same is shared for legitimate purpose.
- iv. The Designated Person shall maintain the details of the person i.e. Name of the person, Entity, Medium of sharing, Purpose of sharing, etc. with whom such UPSI is shared.

### **5. Determination of UPSI for legitimate purpose**

- i. The purpose for which UPSI is shared will be dependent upon functional responsibilities, roles and capacities in which insiders are associated with GENESIS FINANCE.
- ii. The UPSI shall be shared by any Designated Persons or person(s) authorized by the Board of Directors of GENESIS FINANCE in this behalf, only in furtherance of legitimate purpose(s) which shall include the following;
  - a) Sharing of UPSI in the ordinary course of business by any Insider, Designated Person, or by any authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
  - b) Sharing of UPSI where such communication is in furtherance of performance of duty (ies);
  - c) Sharing of UPSI for discharge of legal obligation(s).
  - d) Sharing of UPSI for any other genuine or reasonable purpose as may be determined by the Company Secretary of GENESIS FINANCE.
  - e) Sharing of UPSI for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.
- iii. Provided that such sharing of information for the aforesaid purposes shall not be carried out with a motive to evade or circumvent the prohibitions of Insider Trading Regulations.

- iv. However, other provisions / restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

## **6. Communication of UPSI for other purpose**

6.1. Notwithstanding anything contained in this policy, an UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- i. entail an obligation to make an open offer under the takeover regulations where the Board of Directors of GENESIS FINANCE is of informed opinion that sharing of such information is in the best interests of GENESIS FINANCE;
- ii. not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of GENESIS FINANCE is of informed opinion that sharing of such information is in the best interests of GENESIS FINANCE and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.