

Code of Conduct

In terms of Regulation 13 read with schedule III of SEBI (Merchant Banking) Regulations, 1992, our company has adopted the following code of conduct.

We as a merchant banker shall:

1. Make all efforts to protect the interests of investors.
2. Maintain high standards of integrity, dignity and fairness in the conduct of its business.
3. Fulfil its obligations in a prompt, ethical, and professional manner.
4. At all times exercise due diligence, ensure proper care and exercise independent professional judgment.
5. Endeavour to ensure that—
 - a) inquiries from investors are adequately dealt with;
 - b) grievances of investors are redressed in a timely and appropriate manner;
 - c) where a complaint is not remedied promptly, the investor is advised of any further steps which may be available to the investor under the regulatory system.
6. Ensure that adequate disclosures are made to the investors in a timely manner in accordance with the applicable regulations and guidelines so as to enable them to make a balanced and informed decision.
7. Endeavour to ensure that the investors are provided with true and adequate information without making any misleading or exaggerated claims or any misrepresentation and are made aware of the attendant risks before taking any investment decision.
8. Endeavour to ensure that copies of the prospectus, offer document, letter of offer or any other related literature is made available to the investors at the time of issue or the offer.
9. Not discriminate amongst its clients, save and except on ethical and commercial considerations.
10. Not make any statement, either oral or written, which would misrepresent the services that the merchant banker is capable of performing for any client or has rendered to any client.
11. Avoid conflict of interest and make adequate disclosure of its interest.
12. Put in place a mechanism to resolve any conflict-of-interest situation that may arise in the conduct of its business or where any conflict of interest arises, shall take reasonable steps to resolve the same in an equitable manner.

KEYNOTE

13. Make appropriate disclosure to the client of its possible source or potential areas of conflict of duties and interest while acting as merchant banker which would impair its ability to render fair, objective and unbiased services.
14. Always endeavour to render the best possible advice to the clients having regard to their needs.
15. Not divulge to anybody either orally or in writing, directly or indirectly, any confidential information about its clients which has come to its knowledge, without taking prior permission of its clients, except where such disclosures are required to be made in compliance with any law for the time being in force.
16. Ensure that any change in registration status/any penal action taken by the Board or any material change in the merchant banker's financial status, which may adversely affect the interests of clients/investors is promptly informed to the clients and any business remaining outstanding is transferred to another registered intermediary in accordance with any instructions of the affected clients.
17. Not indulge in any unfair competition, such as weaning away the clients on assurance of higher premium or advantageous offer price or which is likely to harm the interests of other merchant bankers or investors or is likely to place such other merchant bankers in a disadvantageous position while competing for or executing any assignment.
18. Maintain arms length relationship between its merchant banking activity and any other activity.
19. Have internal control procedures and financial and operational capabilities which can be reasonably expected to protect its operations, its clients, investors and other registered entities from financial loss arising theft, fraud and other dishonest acts, professional misconduct or omissions.
20. Not make untrue statement or suppress any material fact in any documents, reports or information furnished to the Board.
21. Maintain an appropriate level of knowledge and competence and abide by the provisions of the Act, regulations made thereunder, circulars and guidelines, which may be applicable and relevant to the activities carried on by it. The merchant banker shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) (Amendment) Regulations, 2006.

KEYNOTE

22. Ensure that the Board is promptly informed about any action, legal proceedings, etc., initiated against it in respect of material breach or non-compliance by it, of any law, rules, regulations, directions of the Board or of any other regulatory body.
23.
 - a) We as a merchant banker or any of our employees shall not render, directly or indirectly, any investment advice about any security in any publicly accessible media, whether real-time or non-real-time, unless a disclosure of his interest including a long or short position, in the said security has been made, while rendering such advice.
 - b) In the event, any of our employee render such advice, the merchant banker shall ensure that such employee shall also disclose the interests, if any, of himself, his dependent family members and the employer merchant banker, including their long or short position in the said security, while rendering such advice.
24. Demarcate the responsibilities of the various intermediaries appointed by it clearly so as to avoid any conflict or confusion in their job description.
25. Provide adequate freedom and powers to its compliance officer for the effective discharge of the compliance officer's duties.
26. Develop its own internal code of conduct for governing its internal operations and laying down its standards of appropriate conduct for its employees and officers in carrying out their duties. Such a code may extend to the maintenance of professional excellence and standards, integrity, confidentiality, objectivity, avoidance or resolution of conflict of interests, disclosure of shareholdings and interests, etc.
27. Ensure that good corporate policies and corporate governance are in place.
28. Ensure that any person it employs or appoints to conduct business is fit and proper and otherwise qualified to act in the capacity so employed or appointed (including having relevant professional training or experience).
29. Ensure that it has adequate resources to supervise diligently and does supervise diligently persons employed or appointed by it in the conduct of its business, in respect of dealings in securities market.
30. Responsible for the Acts or omissions of its employees and agents in respect of the conduct of its business.
31. Ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.

KEYNOTE

32. Not be a party to or instrument for—
 - a) creation of false market;
 - b) price rigging or manipulation; or
 - c) passing of unpublished price sensitive information in respect of securities which are listed and proposed to be listed in any stock exchange to any person or intermediary in the securities market.
33. We or any of our directors, partners or manager having the management of the whole or substantially the whole of affairs of the business, shall not either through its account or their respective accounts or through their associates or family members, relatives or friends indulge in any insider trading.
34. We while acting as an underwriter shall not make any statement, either oral or written, which would misrepresent—
 - a) the services that the underwriter is capable of performing for its client, or has rendered to any other issuer company;
 - b) his underwriting commitment.
35. We while acting as an underwriter shall not indulge in any unfair competition, which is likely to be harmful to the interest of other entities acting as underwriters carrying on the business of underwriting or likely to place such other underwriters in a dis-advantageous position in relation to the underwriter while competing for, or carrying out any assignment.

KEYNOTE

AFFIRMATION TO COMPLY WITH CODE OF CONDUCT FOR MERCHANT BANKING DIVISION

To

The Compliance Officer

Keynote Financial Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg

Dadar West

Mumbai 400 028

Dear Sir / Madam,

I, Mr./Ms. _____, _____ (Designation) have read the “KFSL – Code of Conduct” of Merchant Banking Regulations, 1992. I have completely understood the said Code and do hereby agree, undertake, affirm, pledge that, I shall not violate any of the provisions of this Code or any legal / regulatory requirements of the Company, as may be applicable to my responsibility.

Signature:

Name:

Designation:

Place:

Date: