



FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

CODE OF CONDUCT

FOR

**REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS
PURSUANT TO THE PROVISIONS OF THE
SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015.**



FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS IN THE SECURITIES OF FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

1. Preamble:

The Securities and Exchange Board of India notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the “**Insider Trading Regulations**”) on January 15, 2015.

In terms of Regulation 9 of the Insider Trading Regulations, Future Supply Chain Solutions Limited (the “**Company**”) is required to formulate a Code of Conduct (the “**Code**”) which provides the minimum standards to be followed by the Company for the code of conduct to regulate, monitor and report trading by insiders.

2. Objective:

This Code is enforced to maintain the highest ethical standards of dealing in securities of the Company by persons to whom it is applicable. The provisions of the Code are designed to regulate, monitor and report trades by the Promoter or designated person or his immediate relatives in securities of the Company.

This code has been adopted by the Board of Directors (the “**Board**”) at its meeting held on June 27, 2017 and became effective from that date.

3. Definitions:

For the purpose of this Code, the following terms shall have the meaning assigned to them as hereunder:

- (a) “**Compliance Officer**” means the Compliance Officer appointed pursuant to Clause 4 of this Code;
- (b) “**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 relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary



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or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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. an immediate relative of connected persons specified in clause (i); or
 - b. a holding company or associate company or subsidiary company; or
 - c. an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 or an employee or director thereof; 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 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 recognised 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 the Company or his immediate relative or banker of the Company, has more than ten per cent. of the holding or interest;
- (c) “Confidential Information” shall mean such information which is directly or indirectly related to FRL and/or its Group and associate companies and which is not available to the general public or which is proprietary in nature and also include Unpublished Price Sensitive Information as defined in SEBI PIT Regulations, from time to time;
- (d) “Designated Person(s)” shall include:
- i. Directors of the Company;
 - ii. Key Managerial Personnel of the Company;
 - iii. Officers in Senior Management employees (**Band 5 and above**) at all locations in India;
 - iv. Officers (**Band 3 & above**) in Finance, Secretarial & Legal Departments;



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- v. Executive Secretaries / Assistant to the Directors;
 - vi. Permanent invitee(s)/invitees to the Board Meeting and Committee Meetings;
 - vii. Senior Management employees (Band 5 and above) of Subsidiaries, Group Companies (fellow subsidiary) and Associate Companies;
 - viii. Such other persons as may be notified by the Compliance Officer from time to time;
- (e) "Director" means a member of the Board of Directors of the Company;
- (f) "FRL Securities" include: shares, scrips, stocks, bonds, debentures stock or other marketable securities of a like nature issued by the Company and such derivatives as may be issued by the Company from time to time and listed on Stock Exchange(s);
- (g) "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis;
- (h) "**Immediate Relative**" means 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;
- (i) "**Insider**" means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (j) "Key Managerial Personnel" means the person as defined in Section 2(51) of the Companies Act, 2013 including any amendment or modification thereto;
- (k) "Listing Agreement" means the agreement entered / to be entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited in connection with the listing of securities of the Company;
- (l) "Need to know basis" means the disclosure of Unpublished Price Sensitive / Confidential Information only to those within FRL who need the information to discharge their duties;



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- (m) "**Promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- (n) "SEBI PIT Regulations" or "the Regulations" means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time including any statutory modification thereof;
- (o) "Committee" shall mean the Committee of the Board of Directors of FRL;
- (p) "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- (q) "Trading in FRL Securities" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities of FRL and also include derivatives of FRL securities;
- (r) "Trading Day" means a day on which the recognized stock exchanges are open for trading;
- (s) "Trading **Period**" shall mean the period when dealing in FRL Securities by the designated person(s) and/or their immediate relatives may be permitted and is not a Non-Transaction period;
- (t) "Unpublished Price Sensitive Information" means any information, relating to FRL 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 FRL securities and shall, ordinarily including but not restricted to, information relating to the following: -
 - a. financial results;
 - b. dividends;
 - c. change in capital structure;
 - d. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - e. changes in key managerial personnel;
 - f. material events in accordance with the listing agreement; and
 - g. such other information as may be specified by the Compliance Officer for this purpose;



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- (u) **“Working Days”** shall mean days on which business is being conducted at the registered office of the Company, and shall exclude sundays, Saturdays, national holidays and other declared holidays.

4. Compliance Officer

“Compliance Officer” shall mean the Company Secretary of FRL or such other person as may be designated by the Board of Directors to act as Compliance officer for the purpose of the Insider Trading Regulations and this Code. The Managing Director shall nominate any other person in the Company to act as Compliance Officer for the purpose of this Code during the absence of the Company Secretary.

The Compliance Officer shall be responsible for:

- (i) setting forth / compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information;
- (ii) pre-clearance of trades by the Designated Persons and their immediate relatives
- (iii) monitoring trades and the implementation of this Code under the overall supervision of the Committee of Directors.

The Compliance Officer shall assist all Designated Persons in addressing any clarifications regarding the provisions of the Regulations and the Code.

The Compliance Officer shall furnish to the Chairman of Audit Committee the following details:

- (i) Pre-clearance sanctioned or rejected;
- (ii) Details of transactions done pursuant to pre-clearance including those cases where no transaction has been executed after securing pre-clearance alongwith the reasons;
- (iii) Details of relaxation, if any from the strict requirements under this Code;
- (iv) Disciplinary actions, if any taken by Managing Director pursuant to this Code;
- (v) Disclosures under the SEBI PIT Regulations, if any;



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(vi) Trading plans, if any presented for approval;

(vii) Other relevant information

The Compliance Officer shall place the aforesaid details at the first meeting of the Board of Directors held after the close of the each quarter.

5. Preservation of “Unpublished Price Sensitive Information”:

Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall not pass on / communicate such information to any person directly or indirectly except in the course of performance of duties or discharge of legal obligations.

Unpublished Price Sensitive Information shall be handled on a “Need to know” basis, i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to conflict of interest or appearance of misuse of information. All employees must consult the Corporate Governance Department of the Company and/or the Compliance Officer before communicating with the media or public. The Company’s Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information will have to be adhered to at all times.

All non-public information directly received by any employee should immediately be reported to the Compliance Officer.

If, in the performance of duties, it becomes necessary for the Designated Person to disclose any Unpublished Price Sensitive Information to any person outside the Company e.g. advisors, auditors, consultants etc., the Designated Person shall inform the Compliance Officer of the Price Sensitive Information proposed to be disclosed. The Designated Person shall ensure that the concerned advisor, auditor, consultant etc., executes a non disclosure agreement in the format as mutually agreed by the Company.

The files containing confidential information shall be kept secure. Computer files must have adequate security such as login and password, as per the Company’s IT policy.

6. Trading Window

All designated persons/their immediate relatives shall be subject to the trading restrictions as enumerated below:

The Designated Person and their immediate relatives shall trade in the shares of the



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Company only during specific trading period called “Trading Window” to be specified by the Company.

All Designated Persons and their Immediate Relatives shall not trade in the securities when the trading window is closed. It is the duty of the Designated Persons to inform the Immediate Relatives about the closure of trading window, as and when communicated by the Company and ensure that they do not deal in the Securities of the Company.

The trading window shall be closed during the time the information mentioned hereunder is unpublished:

- 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/rights/bonus etc.
- d. Any major expansion plans or execution of new projects
- e. Amalgamations, mergers, takeovers and buy-back
- f. Disposal of whole or substantially whole of the undertaking
- g. Any changes in critical policies, major plans or operations of the Company
- h. Such other information as may be specified by the Compliance Officer for the purpose

In respect of declaration of financial results, the trading window shall remain closed from the day when notice convening the Board Meeting/Committee Meeting to consider and approve the financial results of the quarter, half-year or financial year, as the case may be is given to the Stock Exchanges and till **48 hours** after the results are communicated to the Stock Exchanges after the date of the meeting.

As regards declaration of Interim Dividend and other matters referred to in (b) to (h) above, The Managing Director shall, well before initiation of such activity/project, form a core team of designated persons or a group of designated persons who would work on such assignment. Such designated persons will execute an undertaking not to trade in the Securities of the Company earlier than forty-eight hours after the Unpublished Price Sensitive Information regarding the activity/project becomes Generally Available or the activity/project is abandoned. The trading window would be regarded as closed for them.

7. Pre-clearance of trades



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All Designated Persons or their Immediate Relatives who intend to trade in FRL Securities shall apply for pre-clearance of the transactions, by making an application as per prescribed form and undertaking set out in **Annexure 4**, to the Compliance Officer if the value of the FRL securities to be traded exceeds Rs. 10,00,000/- (Rupees Ten lakhs) or such other value as may be specified by the Board of Directors from time to time.

No Designated Person shall apply for pre-clearance of any proposed trade if such Designated Person is in possession of Unpublished Price Sensitive Information even if the trading window is not closed.

The Compliance Officer shall either clear the requested trade or decline to clear the requested trade within three (3) Working Days from the receipt of the application (duly completed in all respects) as per the prescribed form set out in **Annexure 4**. In case the Compliance Officer declines to clear the requested deal, he shall assign reasons in writing for doing so. If the Designated Person doesn't receive any response from the Compliance Officer within the aforesaid period of three (3) Working Days, the requested deal can be deemed to have been cleared by the Compliance Officer.

Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information.

In case the Compliance Officer or any of his/her Immediate Relatives intend to trade in FRL Securities, the Compliance Officer shall apply for pre clearance of such trade as per the prescribed form set out in **Annexure 4** to the Managing Director of the Company who would consider the application (duly completed in all respect) within three (3) Working days as aforesaid. The remaining provisions of this section, as applicable to Designated Persons, would also apply to the Compliance Officer.

Other restrictions:

The designated persons shall execute their order of FRL Securities within seven trading days after the approval of pre-clearance is given, failing which fresh pre-clearance would be needed for the trades to be executed.

The Designated Person shall not execute/deal in a contra trade for any number of FRL securities for a period of 6 months from the execution of the last trade in FRL securities.

Contra trade means: In case the designated person pre-clears for buying shares of the Company, he cannot enter into a sale of securities of the Company for a period of 6 months from the date of execution of buy order and vice-versa.



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The Compliance officer (in consultation with the Managing Director on a case to case basis) may waive the trade of securities, in case it is necessitated due to personal emergency before the six months period mentioned above, for reasons to be recorded in writing provided that such relaxation does not violate these regulations.

The Designated Person shall apply in the **Annexure 3** to the Compliance Officer. The Compliance Officer may take necessary undertakings and declarations and seek appropriate information as he deems necessary from the Designated Person before granting the relaxation.

Notwithstanding anything above, if a contra trade is executed inadvertently or otherwise in violation of this code, the profits therefrom must be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

8. Disclosures under this Code and SEBI PIT Regulations

By Designated Persons (including transactions /holdings of immediate relatives)

The Designated Persons shall furnish the following disclosures to the Compliance Officer:

- a. Initial disclosure of FRL Securities held by every Promoter, Key Managerial Personnel, director of the Company and their Immediate Relatives to be made within **thirty days** of the Regulations taking effect as per **Form A** set out in Annexure 1.
- b. Initial disclosure of FRL Securities held by promoter and Designated Persons and their Immediate Relatives as on the date of appointment or becoming a promoter, to be made **within seven (7) days** from the date of appointment or becoming a promoter of the Company as per **Form B** set out in Annexure 1.
- c. Disclosure in case of specified change in shareholding

The Promoter and Designated Persons alongwith their Immediate Relatives shall disclose to the Company the number of such Securities acquired or disposed of **within two trading days** of such transaction as per **Form C** set out in Annexure 2, if the value of the FRL securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten lakhs) or such other value as may be specified under the Regulations from time to time;



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It is clarified that any incremental transactions after any disclosure under this clause shall be made when the transactions effected after the prior disclosure cross the threshold specified herein.

d. By Connected Persons

The Compliance Officer may after considering the facts, circumstances and appropriateness, require the Connected Person or class of Connected Persons to whom the Company has to provide Unpublished Price Sensitive Information in the course of its business, to furnish the details of holdings and trading in Securities of the Company as per **Form D** set out in Annexure 2.

- e. Half Yearly / Annual Disclosures as on 30th September / 31 March each year to be made on or before 21st October / 21st April of each year as per **Form E** set out in Annexure 5.

The Compliance Officer shall place before the Managing Director on a quarterly basis, details of the trading in FRL Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as defined under this code.

The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the designated persons for a minimum period of five years.

9. Trading Plans

A designated person or an Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Such trading plan shall:-

- (i) not entail commencement of **trading earlier than six months** from the public disclosure of the plan;

- (ii) not entail trading for the period between **the twentieth trading day prior** to the last day of any financial period for which results are required to be announced by the issuer of the Securities and the second trading day after the disclosure of such financial results;



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- (iii) entail trading for a period of **not less than twelve months**;
- (iv) **not entail** overlap of any period for which another trading plan is already in existence;
- (v) **set out either** the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) **not entail** trading in securities for market abuse.

The Compliance Officer upon receipt of trading plan will review the trading plan to assess whether the plan would have any potential for violation of these regulations. The Compliance Officer will be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

The Compliance officer will endeavor to approve the trading plan within 7 working days of receipt of the trading plan together with necessary undertakings and declarations.

The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

The implementation of the trading plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the designated person / Insider at the time of formulation of the plan has not become Generally Available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes Generally Available information so as to avoid a violation of the SEBI PIT Regulations.

Upon approval of the trading plan, the Compliance Officer will notify the plan to the stock exchanges on which the Securities are listed.

10. Penalty for contravention of the code



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Any Designated Persons who trades in Securities or communicates any information for trading in Securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company against such person.

Designated Persons who violate the provisions of this Code shall also be subject to disciplinary action by the Company, which would be determined by the Managing Director, based on the recommendations of the committee to be set up for this purpose. The penalty may include wage freeze, suspension etc.

The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Insider trading Regulations.

Information to SEBI

In case, it is observed by the Compliance Officer that there has been a violation of the SEBI PIT Regulations, SEBI shall be informed by the Company about such violation.