

Microsec Financial Services Limited

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Date: May 14, 2015

To
The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai – 400 001

✓ Manager - Listing
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Mumbai – 400 051

Ref: *Scrip Code at BSE: 533259 and NSE: MICROSEC*

Sub: *Outcome of Resolution by Circulated dated 12th May, 2015 in relation to approval and adoption of the Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information*

Dear Sir/ Madam,

This is to inform that the Board of Directors of the Company by way of Resolution by Circulation dated May 12, 2015 has approved and adopted the Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information (hereinafter referred to as the "Code") framed under Regulation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The same would be effective from 15th May, 2015.

The "Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information" has been attached herewith for your reference and records.

Kindly take note of the above and acknowledge the receipt.

Thanking you,
Yours faithfully,

For Microsec Financial Services Limited

Biplab Kumar Mani
Company Secretary & Compliance Officer

MICROSEC FINANCIAL SERVICES LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Approved by the Board of Directors by way of resolution by circulation dated May 12, 2015 as per Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015)

Effective from May 15, 2015

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The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992. These regulations were notified on 15th January, 2015 and shall come into force with effect from 120th Day from the date of its notification i.e. w.e.f. from 15th May, 2015.

These regulations shall be applicable to all companies whose shares were listed on Indian stock exchanges. It is mandatory in terms of the Regulations for every listed company/entity to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

In order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code of Fair Disclosure for Microsec Financial Services Limited (hereinafter referred to as 'the Company') for use by its Promoters, Directors, Officers, Employees, Connected Persons.

This document embodies the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to be adopted by the Company and followed by its Directors, Officers, Employees and Connected Persons. The 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.

Definitions

'Compliance Officer' for the purpose of these regulations 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 Investors Relations Officer' means 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

- (i) financial results;
- (ii) dividends;
- (i) 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.

The Board of Directors of Microsec Financial Services Limited have always thrived to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders in the Company. Towards achieving this objective, the Company and the members of the Board, Officers, all employees and connected persons shall adhere to the following principles of fair disclosure of unpublished price sensitive information in letter as well as in spirit:

1 Prompt public disclosure of Unpublished price sensitive information

Unpublished Price Sensitive Information shall be given to the Stock Exchanges and disseminated promptly on a continuous basis.

2. Uniform and Universal dissemination of unpublished price sensitive information

The disclosure of unpublished price sensitive information shall be on a continuous, immediate, uniform basis and will be universally disseminated. The company may consider others ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

3. Overseeing and Co-coordinating disclosure

3.1 The Chief Investor Relations Officer, for the purpose of these regulations, shall oversee corporate disclosures and deal with dissemination of information and disclosure of unpublished price sensitive information. The Compliance Officer (i.e Company Secretary) of the Company is designated as the Chief Investor Relations Officer and he shall be responsible for ensuring that the Company complies with the continuous disclosure requirements and dissemination of information. He shall also be responsible for overseeing & co-ordinating disclosure of Unpublished Price Sensitive Information to stock exchanges, analysts, shareholders and media.

3.2 Information disclosure/dissemination may normally be approved by the Compliance Officer.

3.3 If information is accidentally disclosed without the prior approval of Compliance Officer, the person responsible shall inform the Compliance Officer immediately.

4.0 Process of disseminating information in order to make the unpublished price sensitive information generally available

Prompt disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination. The Company shall ensure that disclosure to stock exchanges is made promptly.

5.0 Procedures for Appropriate and fair responding to any Query on news reports and requests for verification of Market rumours by regulatory authorities

5.1 Replies to all queries or requests for verification of market rumours shall be sent only after obtaining the approval of the Managing Director.

5.2 Such replies shall be signed by the Compliance Officer. In his absence, such replies shall be signed by such other officer/ person as may have been authorized.

5.3 A copy of such replies shall also be sent to the stock exchanges where shares of the Company are listed.

5.4 The Compliance Officer shall oversee corporate disclosure. He shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and

then making the disclosure.

6.0 Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information

The Company should follow the guidelines given hereunder while dealing with Analysts and research personnel.

- 6.1 *Only Public information to be provided:-* Only Public information is to be provided to such Analysts/Research person and Institutional Investors or any information given to Analysts/Research Person should be simultaneously made public at the earliest.
- 6.2 *Recording of discussion:-* In order to avoid mis-quoting or mis-representing it is desired that two Company representatives be present at the meeting with Analysts and Institutional Investors and the discussion should preferably be recorded.
- 6.3 *Handling of unanticipated questions:-* Company should be careful while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response should be furnished later. If the answer includes price sensitive information, a public announcement should be made before responding.
- 6.4 *Simultaneous release of Information:-* Whenever the Company proposes to organise meetings with investment analysts/institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

7.0 Unpublished price sensitive information on Need-to-Know basis

- 7.1 Unpublished Price Sensitive Information shall be handled on a “need to know” basis i.e. unpublished Price Sensitive Information shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 7.2 The Company shall disseminate all Price Sensitive Information on a continuous and in a timely manner to stock exchanges where its Securities are listed and thereafter to the press.
- 7.3 As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company’s web-site. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.
- 7.4 The information filed by the Company with the Stock Exchanges under the Listing Agreement may also be posted on the Company’s website www.microsec.in.

Timely reporting of Shareholdings / Ownership and changes in Ownership

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ownership of major shareholders and disclosure of changes in ownership as required under the Stock Exchange Listing Agreements and/or any rules/regulations made under the Securities & Exchange Board of India Act, 1992 are made in a timely and adequate manner.

Subsequent modification(s) / amendment (s) to SEBI (Prevention of Insider Trading) Regulations, 2015 shall automatically apply to this Code. This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchange where the securities of the Company are listed.