



SPFL Securities Limited

CIN No. : U74899DL1995PLC069581
GSTIN No. : **09AABCS2452C1ZP**
Member : NSEIL & BSE LTD.
D P : NSDL & CDSL
15/63-L, Civil Lines, Kanpur - 208001 (Uttar Pradesh)
Ph. : 7376325889, 7376335889

CODE OF CONDUCT

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BACKGROUND AND APPLICABILITY

SPFL Securities Limited (“SPFL”) Code of Conduct is in alignment with its values and commitments. The essence of this code is that each employee should conduct the Company's business in a way that upholds its values and commitments. This code expects every employee to conduct business with integrity, in compliance with applicable laws, and in a manner that excludes consideration of direct or indirect personal advantage / gains.

It is the responsibility of each individual at SPFL to ensure that all employees are made aware of these values, commitments, and procedures, and behave in accordance with the spirit as well as the letter of this code. SPFL recognizes that it is vital that the behaviour of its employees matches the high intentions and values. Hence, adherence to all the elements of this code and the accompanying principles and procedures is necessary.

The principles and procedures in this Code of Conduct apply to all material transactions, large or small, and describe the conduct expected of every SPFL employee.

The SPFL Code of Conduct is applicable to all employees including the Chief Executive Officers, Managing Directors & others.

SPFL Group is engaged in financial services and capital market intermediary activities viz., stock broking, depository participant, etc. and is regulated by multiple regulators. These regulated activities are subjected to specific codes of conducts issued by SEBI and others. In addition to the adherence with SPFL code of conduct and its employees shall also adopt and comply with the code of conduct issued by their relevant Regulators.

The Code of Conduct as prescribed by SEBI for stock broker and depository participant have been reproduced as Annexure 1 and 2 respectively.



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SPFL CODE OF CONDUCT

1. Ethical Conduct

Every employee of SPFL, which shall include the Managing Directors and CEO, shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties. Every employee shall be responsible for the implementation of and compliance with the Code in his/her professional environment. Any fraud, attempted fraud or failure to adhere to the Code could attract the most severe consequences including termination of employment.

2. Regulatory Compliance

Every employee of SPFL shall, in his/her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he/she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code then the standards of the Code shall prevail.

3. Concurrent Employment

An employee of a SPFL shall not, without the prior approval of the Chief Executive Officer (CEO) of the Company accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide "free-lance" services to anyone. In the case of the CEO such prior approval must be obtained from the Board of Directors of the Company.

4. Conflict of Interest

Conflict of Interest will exist or arise when the private or business interests of an Employee will or may interfere with the business interests of SPFL or its clients or which may influence or appear to influence their judgement or quality or services

An employee of SPFL shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of SPFL. A conflict of interest, actual or potential, may arise where, directly or indirectly:

- an employee of SPFL engages in a business, relationship or activity with anyone who is party to a transaction with SPFL
- an employee is in a position to derive a personal benefit or a benefit to any of his relatives by making or influencing decisions relating to any transaction, and



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•an independent judgement of the SPFL's best interest cannot be exercised. The main areas of such actual or potential conflicts of interest would include the following:

Financial interest of an employee of SPFL or his relatives including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of SPFL. (The ownership of upto 1% of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)

b. An employee of SPFL being in a position to influence a decision with regard to SPFL's business with a supplier or customer of which his relative is a principal officer or representative resulting in a benefit to him or his relative.

c. Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the SPFL. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with SPFL. Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his immediate superior who shall forward the information along with his comments to the person designated for this purpose by the CEO. Upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If an employee fails to make a disclosure as required therein and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

5. Securities Transactions and Confidential Information

An employee of SPFL and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the client SPFL is serving which is not in the public domain and thus constitutes insider information. All SPFL employees shall adhere to the detailed SPFL Prevention of Insider Dealing Policy.

6. Anti-Money Laundering Controls

Money Laundering is the participation in any process or transaction that seeks to conceal or disguise the



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nature or origin of funds derived from illegal activities thereby avoiding prosecution, conviction and confiscation of criminal funds and projecting it as untainted property. Every SPFL employee must pay particular attention to transactions which do not make economic sense or which may be designed to layer or disguise the ultimate source or destination of funds or to transactions involving countries where drug trafficking, corruption, bribery or terrorism are prevalent. Every SPFL employee shall fully comply with SPFL policy and procedures on Prevention of Money Laundering. Every suspicious transaction shall be reported to the designated Money Laundering Officer.

7. Confidentiality

Every SPFL employee must respect and preserve the confidentiality of information received in the course of their jobs. Confidentiality is essential to maintain the trust and confidence of SPFL's clients, to protect sensitive information on the Companies own activities and to comply with the local laws and regulations. Confidential information may only be used for business purpose for which it was provided and by employees who "need to know" in order to perform their duties. It may not be used by any employee for personal profit or gain.

8. Protecting Company Assets

The assets of SPFL should not be misused but employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

9. Citizenship

An employee of SPFL shall in his private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of SPFL.

10. Integrity of data furnished

Every employee of SPFL shall ensure at all times the integrity of data or information furnished by him to the Company.

11. Accepting gifts, meals and entertainment from client and others doing business with SPFL

Every employee of SPFL may never solicit for himself/herself or for anyone else (other than the Company) anything of value from anyone in return for any business, service or confidential information of SPFL or accept anything of value, directly or indirectly (other than bonafide salary, wages, awards, and fees paid by or to the Company), from anyone in connection with the business of SPFL, either before or after a transaction is discussed or consummated.

A gift may take any forms. It includes items or favours of value for which employees are not required to



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pay the retail or usual and customary cost. A gift may include meals or refreshment, goods, services, tickets to entertainment or sporting events or the use of a residence vacation home or other accommodations etc.

Acceptance of gifts of any kind (including entertainment and hospitality) from persons that do business with SPFL is generally discouraged.

12. Sexual Harassment

SPFL demands, demonstrates and promotes professional behaviour and respectful treatment of all employees. Sexual harassment includes unwelcome sexually determined behaviour such as: unwelcome physical contact; a demand or request for sexual favours; sexually coloured remarks; showing pornography and any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.

SPFL maintains an open door for reportees; encourages employees to report any harassment concerns and is responsive to employee complaints about harassment or other unwelcome and offensive conduct. Sexual harassment incidents may be reported to the Managing Director/Head Human Resources.

The Management will take immediate and appropriate action to prevent and to correct behaviour that violates this policy. Such conduct will be subject to disciplinary action and could include termination of employment. Detailed policy against sexual harassment can be found on SPFL Online.

13. Reporting concerns

Every employee of SPFL shall promptly report to the Management on any actual or possible violation of the Code or an event no sooner than he/she becomes aware, which could affect the business or reputation of SPFL.

14. Investment Advice

We shall not make a recommendation to any client who might be expected to rely thereon to acquire, dispose of, retain any securities unless we have reasonable grounds for believing that the recommendation is suitable for such a client upon the basis of the facts, if disclosed by such a client as our own security holdings, financial situation and objectives of such investment. We should seek such information from clients, whenever we feels it is appropriate to do so.

15. Investment advice in publicly accessible media:

a. We or any of our employees shall not render, directly or indirectly, any investment advice about any security in the publicly accessible media, whether real-time or non-real-time, unless a disclosure of our interest including the interest of his dependent family members and the employer including their long or short position in the said security has been made, while rendering such advice.

b. In case our employee is rendering such advice, we shall also disclose the interest of his dependent



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family members and the employer including their long or short position in the said security, while rendering such advice.

If you wish to report any such concern or need any clarification regarding the code of conduct, please write to **the CEO or Head-Human Resources or Head-Compliance**.

Annexure 1: Code of Conduct for Stock Brokers (Applicable to SPFL Securities Limited, its directors and employees)

A. GENERAL

- (1) **INTEGRITY:** A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.
- (2) **EXERCISE OF DUE SKILL AND CARE:** A stock-broker, shall act with due skill, care and diligence in the conduct of all his business.
- (3) **MANIPULATION:** A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains.
- (4) **MALPRACTICES:** A stock-broker shall not create false market either singly or in concert with others or indulge in any act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market. A stock-broker shall not involve himself in excessive speculative business in the market beyond reasonable levels not commensurate with his financial soundness.
- (5) **COMPLIANCE WITH STATUTORY REQUIREMENTS:** A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the stock exchange from time to time as may be applicable to him.

B. DUTY TO THE INVESTOR

- (1) **EXECUTION OF ORDERS:** A stock-broker, in his dealings with the clients and the general investing public, shall faithfully execute the orders for buying and selling of securities at the best available market price and not refuse to deal with a Small Investor merely on the ground of the volume of business involved. A stock-broker shall promptly inform his client about the execution or non-execution of an order, and make prompt payment in respect of securities sold and arrange for prompt delivery of securities purchased by clients.
- (2) **ISSUE OF CONTRACT NOTE:** A stock-broker shall issue without delay to his client [or client of the Authorised Person, as the case may be] a contract note for all transactions in the form specified by the stock exchange.
- (3) **BREACH OF TRUST:** A stock-broker shall not disclose or discuss with any other person or make improper use of the details of personal investments and other information of a confidential nature of the client which he comes to know in his business relationship.

(4) BUSINESS AND COMMISSION:



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(a) A stock-broker shall not encourage sales or purchases of securities with the sole object of generating brokerage or commission.

(b) A stock-broker shall not furnish false or misleading quotations or give any other false or misleading advice or information to the clients with a view of inducing him to do business in particular securities and enabling himself to earn brokerage or commission thereby.

(5) BUSINESS OF DEFAULTING CLIENTS: A stock-broker shall not deal or transact business knowingly, directly or indirectly or execute an order for a client who has failed to carry out his commitments in relation to securities with another stock-broker.

(6) FAIRNESS TO CLIENTS: A stock-broker, when dealing with a client, shall disclose whether he is acting as a principal or as an agent and shall ensure at the same time, that no conflict of interest arises between him and the client. In the event of a conflict of interest, he shall inform the client accordingly and shall not seek to gain a direct or indirect personal advantage from the situation and shall not consider clients' interest inferior to his own.

(7) INVESTMENT ADVICE: A stock-broker shall not make a recommendation to any client who might be expected to rely thereon to acquire, dispose of, retain any securities unless he has reasonable grounds for believing that the recommendation is suitable for such a client upon the basis of the facts, if disclosed by such a client as to his own security holdings, financial situation and objectives of such investment. The stock-broker should seek such information from clients, wherever he feels it is appropriate to do so.

(7A) Investment Advice in publicly accessible media –

(a) A stock broker or any of his employees shall not render, directly or indirectly, any investment advice about any security in the publicly accessible media, whether real – time or non real-time, unless a disclosure of his interest including the interest of his dependent family members and the employer including their long or short position in the said security has been made, while rendering such advice.

(b) In case, an employee of the stock broker is rendering such advice, he shall also disclose the interest of his dependent family members and the employer including their long or short position in the said security, while rendering such advice.]

(8) COMPETENCE OF STOCK BROKER: A stock-broker should have adequately trained staff and arrangements to render fair, prompt and competent services to his clients.

C. STOCK-BROKERS VIS-A-VIS OTHER STOCK-BROKERS

(1) CONDUCT OF DEALINGS: A stock-broker shall co-operate with the other contracting party in comparing unmatched transactions. A stock-broker shall not knowingly and willfully deliver documents which constitute bad delivery and shall cooperate with other contracting party for prompt replacement of documents which are declared as bad delivery.

(2) PROTECTION OF CLIENTS INTERESTS: A stock-broker shall extend fullest cooperation to other stock-brokers in protecting the interests of his clients regarding their rights to dividends, bonus shares, right shares and any other right related to such securities.

(3) TRANSACTIONS WITH STOCK-BROKERS: A stock-broker shall carry out his transactions with other stock-brokers and shall comply with his obligations in completing the settlement of transactions with them.

(4) ADVERTISEMENT AND PUBLICITY: A stock-broker shall not advertise his business publicly unless



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permitted by the stock exchange.

(5) INDUCEMENT OF CLIENTS: A stock-broker shall not resort to unfair means of inducing clients from other stock-brokers.

(6) FALSE OR MISLEADING RETURNS: A stock-broker shall not neglect or fail or refuse to submit the required returns and not make any false or misleading statement on any returns required to be submitted to the Board and the stock exchange.

D (1) A stock broker shall enter into an agreement as specified by the Board with his client.

(2) A stock broker shall also enter into an agreement as specified by the Board with the client of the Authorised Person.

Annexure 2: Code of Conduct for Depository Participants (Applicable to SPFL Securities Limited, its directors and employees)

1. A Participant shall make all efforts to protect the interests of investors.
2. A Participant shall always endeavor to
 - a. render the best possible advice to the clients having regard to the clients' needs and the environments and his own professional skills;
 - b. ensure that all professional dealings are affected in a prompt, effective and efficient manner;
 - c. inquiries from investors are adequately dealt with;
 - d. grievances of investors are redressed without any delay.
3. A Participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.
4. A Participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the Dematerialisation Request Form, Rematerialisation Request Form and execution of Debit Instruction Slip and in all the other activities undertaken by him on behalf of the beneficial owners.
5. A Participant shall endeavor to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible, and not later than one month of receipt.
6. A Participant shall not increase charges / fees for the services rendered without proper advance notice to the Beneficial Owners.
7. A Participant shall not indulge in any unfair competition, which is likely to harm the interests of other Participants or investors or is likely to place such other Participants in a disadvantageous position while competing for or executing any assignment.
8. A Participant shall not make any exaggerated statement whether oral or written to the clients either about its qualifications or capability to render certain services or about its achievements in regard to services rendered to other clients.
9. A Participant shall not divulge to other clients, press or any other person any information about its clients which has come to its knowledge except with the approval / authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations.
10. A Participant shall co-operate with the Board as and when required.
11. A Participant shall maintain the required level of knowledge and competency and abide by the



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provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The Participant shall also comply with the award of the Ombudsman passed under Securities and Exchange Board of India (Ombudsman) Regulations, 2003.

12. A Participant shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board.

13. A Participant shall not neglect or fail or refuse to submit to the Board or other agencies with which it is registered, such books, documents, correspondence, and papers or any part thereof as may be demanded / requested from time to time.

14. A Participant shall 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.

15. A Participant shall maintain proper inward system for all types of mail received in all forms.

16. A Participant shall follow the Maker -Checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorized transaction.

17. A Participant shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. It shall also ensure that for electronic records and data, up-to-date back up is always available with it.

18. A Participant shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.

19. A Participant shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.

20. A Participant shall be responsible for the acts or omissions of its employees and agents in respect of the conduct of its business.

21. A Participant shall ensure that the senior management, particularly decision makers have access to all relevant information about the business on a timely basis.

22. A Participant shall ensure that good corporate policies and corporate governance are in place.