

**CODE OF FAIR DISCLOSURE AND
CONDUCT
OF
SMC GLOBAL SECURITIES
LIMITED**

(EFFECTIVE FROM 15th May, 2015)

INTRODUCTION

The SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 inter alia, guide the Company to how to disseminate the unpublished price sensitive information to the investors/public at large.

The regulations guide the insiders how to ensure that how is not taken advantage of. The Regulation gives power to SEBI to take actions against insiders. This code enables you to take care of Unpublished price sensitive information in the best interest of ordinary investor, the Company and you.

■ **“COMPANY SHALL ENDEAVOR TO DISSIMINATE THE PRICE SENSITIVE INFORMATION (PSI) IN PUBLIC DOMAIN IN SHORTEST POSSIBLE TIME. TILL SUCH TIME THE PSI REMAINS UNPBLISHED, THE SAME SHALL BE KEPT CONFIDENTIAL BY RESTRICTING ITS ACCESSIBILITY ON ‘NEED TO KNOW’ BASIS.”**

1. DEFINITIONS:

“Act” means the Securities and Exchange Board of India Act, 1992;

“BOARD” means the Board of Directors of the Company.

“REGULATIONS” means the SEBI (Prohibition of Insider Trading) Regulations, 2015;

“CODE OR CODE OF CONDUCT” shall mean this Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by Insiders of the SMC GLOBAL SECURITIES LIMITED as amended from time to time.

“COMPANY” means SMC Global Securities Limited;

“COMPLIANCE OFFICER” means the Company Secretary of the Company.

“DEALING IN SECURITIES” means to subscribe, sell, buy or agreeing/agreed to subscribe, sell, purchase or deal in the securities of the Company by himself/herself/itself or through an agent.

“DESIGNATED EMPLOYEE(S)” shall include :—

(i) All Executive Directors including Managing and Whole Time Directors

(ii) All department heads and vice presidents of the Company.

(iii) every employee in the Finance, Accounts, Corporate Secretarial and Legal Department as may be determined and informed by the Compliance Officer;

(iv) Such other persons or employee as may be determined and informed by the Compliance Officer from time to time.

“DIRECTOR” means the member of Board of Directors of the Company.

“EMPLOYEE” means the every employee of the Company including Director in the employment of the Company.

"INSIDER" means any person who is:

i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information.

“IMMEDIATE RELATIVES” means.....

“GENERALLY AVAILABLE INFORMATION” means the information which is available for public on non-discriminatory basis.

“KEY MANAGERIAL PERSON” means the person as defined in Companies Act, 2013.

“PROMOTERS” 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.

“Securities” means as defined under SCRA, 1956 or any modifications thereof.

“Takeover Regulations” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

“Trading” means and includes subscribing, purchasing, selling or agreeing/agreed to subscribe, purchase and sell or deal in securities.

“Trading Day” means a day on which the recognized stock exchanges are open for trading.

“Connected Person” means,-

(i) any person who is or has during the six months prior to the concerned act been associated with a 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 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 Act 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

"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;
- (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; and
- (vi) material events in accordance with the listing agreement.

“relative” means a person, as defined in section 2(77) of the Companies Act, 2013;

“**unpublished**” means information which is not published by the company or its agents and is not specific in nature.

“**Specified Persons**” means the Directors, connected persons, the insiders, the designated employees and the promoters and immediate relatives are collectively referred as Specified Persons.

words and expressions used and not defined here but defined in the SEBI Act, 1992, SCRA, 1956, Depositories Act, or the Companies Act, 2013 and the rules and regulations made thereunder shall mean as defined therein.

2. COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(3) Notwithstanding anything contained in this code, an unpublished price sensitive information 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 the company is of informed opinion that the proposed transaction is in the best interests of the company;

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information 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.

(4) For purposes above mentioned point, the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of point 3 and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

3. DISCLOSURES OF TRADING BY INSIDERS

The disclosures to be made by any person as below Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

Initial Disclosures

(a) Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect; (b) Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

Continual Disclosures

(a) Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

(b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a).

Disclosures by other connected persons

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

4. CODE FOR FAIR DISCLOSURE

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles includes as below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing 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.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

FOR & ON BEHALF OF THE BOARD

Sd/-

AJAY GARG

(WHOLE TIME DIRECTOR)