

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter *Regulations*), are applicable to:

Almondz Global Securities Ltd (hereinafter *AGSL*), all its employees (both permanent and temporary) and their immediate relatives, all its directors and their immediate relatives, *AGSL*'s auditors and other Connected Persons as mentioned in this Code

All the above persons/entities are Insiders for the purpose of the Regulations. The Regulations stipulate that no Insider shall be subject to such exception as provided herein or under the regulation –

- communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders
- procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed,
- trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Under these Regulations;

- The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of these regulations in any manner.
- The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.
- Every listed company, market intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.

Since *AGSL* is both a listed company as well as market intermediary, and further *AGSL* has companies in its Group which are also associated with the securities markets, we are laying down the following code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders for prevention of Insider trading (part I) and Code of Fair Disclosure (part II). Both Codes come into effect from 15.05.2015 and replace all our existing regulations on Insider Trading and Corporate Disclosure Practices. This preamble and the definitions it contains are to be read as part of the said two Codes.

Part I: Code of Conduct for the prevention of Insider Trading

Definitions:

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

“Board” means the Board of Directors of the Company

“Code” or **“Code of Conduct”** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Almondz Global Securities Limited as amended from time to time.

‘Company’ means *Almondz Global Securities Ltd*;

‘Compliance Officer’ means the Company Secretary of the Company;

“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 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 the Company or his immediate immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

‘Designated Employees’ shall mean the following:

- (a) Managing and Whole-Time Directors;
- (b) All Executive Directors;
- (c) Associate Directors and Country Head(s);
- (c) All Department Heads and Senior Vice Presidents of the Company

- (d) All employees of Accounts, and Corporate Secreterial & Legal Department
- (e) Such other persons as may be notified by the Compliance Officer from time to time

"Director" means a member of the Board of Directors of the Company.

"Employee" means every employee of the Company including the Directors in the employment of the Company.

"Generally available Information" means information that is accessible to the public on a non-discriminatory basis.

"Immediate Immediate relative" means a 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

"Insider" means any person who,

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information.

"Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013

"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:

Immediate relative

"immediate relative" means a 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;

"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

"Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

"Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly

"Trading Day" means a day on which the recognized stock exchanges are open for trading;

"Unpublished Price Sensitive Information" means: 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, delisting, 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

"Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

"Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

This code shall apply to all persons as stated above immediate relative. A copy of SEBI's (Prohibition of Insider Trading) Regulations, 2015 is annexed for the information of each of the employees and the directors.

The Company Secretary of *AGSL* would be the compliance officer for this Code and he shall report directly to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors..

The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads, as decided by the Board or by him from time to time), monitoring of trades, and the implementation of the code of conduct under the overall supervision of the Board.

He shall maintain a record of all designated employees and any changes made in the list of designated employees and would be updated in this regard by HR.

The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and our code of conduct.

1. Preservation of "Price Sensitive Information":

Under this code, the preservation of "Price Sensitive Information" shall be ensured at *AGSL* as under:

- a. No person shall either on his own behalf or on behalf of any other person, deal in Company's securities when in possession of any price sensitive information.
- b. No person shall communicate, counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such price sensitive information shall not deal in company's securities.
- c. All employees including Designated employees/ directors shall maintain the confidentiality of all Price Sensitive Information and for which they would sign an undertaking as at annexure 2A (for all employees other than designated employees) and Annexure 2B (for designated employees).
- d. Employees/ directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
- e. Need to know: Price Sensitive Information will be handled on a "need to know" basis, i.e., Price Sensitive Information will 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 a conflict of interest or appearance of misuse of the information.

- f. For the purpose, information traveling between business/support lines or Group companies shall carry email certification from Business line Head or Support line Head or concerned person of the Group companies that information has been sought on a "need to know" basis under cc to Compliance Officer. The same shall apply to all Price Sensitive Information moving among the sub-lines within Business/Support lines.
- g. Limited access to confidential information: Files containing confidential information shall be kept secure for which every employee and their Business Line/Support Line heads would be responsible. Computer files must have adequate security of login and pass words etc.
- h. Chinese Wall: Further, to prevent the misuse of confidential information, the company is adopting a "Chinese Wall" policy which will separate all those areas of the organisation which routinely have access to confidential information, considered "inside areas", from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas". The Inside areas are being defined as under:
 - 1. Investment Banking
 - 2. Infrastructure Advisory & Debt Syndication
 - 3. Institutional Equity Sales
 - 4. Research
 - 5. Finance & Accounts
 - 6. Corporate Secretarial departmentAudit. The compliance officer would review this list and update it from time to time in line with the company's activities.
- i. The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.
- j. The employees in inside area are being physically segregated from employees in public area by demarcating the various lines.
- k. Only in exceptional circumstances would employees from the public areas be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the compliance officer.

2. Prevention of misuse of "Unpublished Price Sensitive Information:

All directors and Employees of AGSL shall not use Unpublished Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their immediate relative's account, organisation's account or a client's account. The following trading restrictions shall apply for trading in securities:

(A) Trading window:

- a. The compliance officer will specify a trading period ("Trading Window") for trading in the company's securities. When the trading window is closed, the employees/directors shall not trade in the company's securities in such period. The trading window shall be closed during the time the information referred below is un-published i.e. it will be closed, *inter alia*, at the time of:-
 - i. Declaration of Financial results (quarterly, half-yearly and annual)
 - ii. Declaration of dividends (interim and final)
 - (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

Accordingly, the "Trading Window" shall be closed -

- From the date of the notice to the Stock Exchange of the meetings of the Directors or Committee of Directors until 48 hours after the date of declaration/publication of the Annual/Quarterly results as the case may be;
- From the date of circulation of Agenda for the Board Meeting where the decision on any of the following matters is taken until 48 hours after the decision is made public:
 - i. Declaration of dividends (interim and final)
 - (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

Apart from the aforesaid closure, the Compliance Officer (in consultation with the management) intimate a longer period of closure of "Trading Window" for the above on a case to case basis after taking into account the sensitivity of the corporate action.

The Trading Window shall be opened 48 hours after the aforesaid information is made public.

- b. All directors/employees and their immediate immediate relative of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred above or during any other period as may be specified by the compliance officer from time to time.
- c. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

(B) Pre- clearance of trades:

- a. All directors/ designated employees of the company and their dependents (as defined) who intend to deal in the securities of the company above 10000 shares during a 30 days period (either in one transaction or a series of transactions) should pre-clear the transactions as per the pre-dealing procedure as described hereunder. However, no designated person shall be entitled to 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 and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder
- b. An application may be made in the form given in annexure 3 to the Compliance officer indicating the estimated number of securities that the Designated Employee /director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as extended in the form or may be required by any rule made by the company in this behalf.
- c. The same form shall carry an undertaking by such Designated Employee/director: (a) That the Designated Employee/director does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking. (b) That in case the Designated Employee/director has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public. (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time. (d) That he/ she has made a full and true disclosure in the matter
- d. If the order is not executed within seven days after the approval is given, the

employee/director must pre-clear the transaction again.

(C) Restricted/Grey list:

- a. In order to monitor Chinese wall procedures and trading in client securities based on inside information, the Compliance officer shall restrict trading in certain securities and designate such list as restricted/grey list.
- b. Security of a listed company shall be put on the restricted/grey list if the *AGSL* or any Group company is handling any assignment for the listed company or is preparing appraisal report or is handling credit rating assignments and is privy to Price Sensitive Information.
- c. Any security which is being purchased or sold or is being considered for purchase or sale by *AGSL* or Group company on behalf of its clients/schemes of mutual funds/brokerage Institutional clients, etc. shall be put on the restricted grey list.
- d. As the restricted list itself is highly confidential information, it shall not be communicated directly, or indirectly, to anyone outside the organisation. The Restricted List shall be maintained by Compliance Officer.
- e. When any securities are on the Restricted List, trading in these securities by all the employees/directors is banned and would also be disallowed at the time of pre-clearance.

D. Trading Plan

An insider shall be entitle to formulate a trading plan for dealing in securities of the Company 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.

Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider 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; (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 shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of

the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

(E) Other restrictions:

- a. All directors/Designated Employees and their dependent family members shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given the employee/director must pre clear the transaction again.
- b. All directors/Designated Employees and their dependent family members who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. Also, all directors/Designated Employees and their dependent family members shall also not take positions in derivative transactions in the shares of the Company at any time. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- c. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his / her reasons in this regard.
- d. Analysts employed with AGSL while preparing research reports of a client company(s) shall disclose their share holdings/interest in such company(s) to the compliance officer and the analyst should also declare that he/she will not trade in that scrip after the approval for preparing such report is received from research committee/requisite authority.
- e. Analysts who prepare research report of a listed company shall not trade in securities of that company for thirty days from the preparation day of such report.

3. Reporting Requirements for transactions in securities:

- a. All directors/Designated Employees of AGSL are required to forward following details of their Securities transactions including the statement of dependent family members to the Compliance officer: i) all holdings in securities including those of AGSL by directors/Designated employees at the time of joining the company (as per format in annexure 4); (ii) a statement of any transactions in securities, including those where pre-clearance of Compliance Officer was obtained (format in annexure 5) at the end of each half year (i.e. ending 31 March and 30 September) of a financial year; and (iii) Half year- end (i.e. 31 March and 30 September) statement of all holdings in securities (same format as in annexure 4).
- b. The Compliance officer shall maintain records of all the declarations, both in physical and electronic form, given by the directors/ employees for a minimum period of five years.
- c. The Compliance officer shall place before the Board/Managing Director, on a monthly basis, all the details of the dealing in the securities by employees/directors of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

4. Penalty for contravention of code of conduct:

- a. Any employee/director who trades in securities or communicates any information for trading in securities in contravention of this code of conduct and SEBI Regulations will be penalized and major action will be taken by the company.
- b. Such employees/directors who violate the code of conduct shall also be subject to disciplinary action, which may include wage freeze, suspension, ineligible for

future participation in employee stock option plans, dismissal etc.

- c. In cases where it is observed by the company/compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall also be informed for further action as deemed appropriate by SEBI. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

Part II: Code of Practices and procedures for fair disclosure and conduct

To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed by AGSL:

Prompt disclosure

1. AGSL shall make 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. AGSL shall make Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.

Overseeing and co-ordinating disclosure

1. AGSL shall Designate its compliance officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
2. If unpublished price sensitive information gets disclosed selectively, inadvertently or otherwise the Compliance Officer shall take all recourses to make such information generally available

Responding to market rumours:

1. AGSL shall make appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.respond immediately to any queries on news report and requests for verification of market rumours by the regulatory authorities.
2. The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

Timely Reporting of shareholdings /ownership and changes in ownership:

1. Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.
2. Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors, Listed companies should follow the guidelines given hereunder while dealing with analysts and institutional investors: -
 - (i) Only Public information to be provided: AGSL shall provide only public information to the analyst/ research persons/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.
 - (ii) Recording of discussion: In order to avoid misquoting or misrepresentation, it is

desirable that at least two-company representative be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.

- (iii) Handling of unanticipated questions: A listed company is expected to be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- (iv) Simultaneous release of Information: When *AGSL* organizes meetings with analysts, the company shall make a press release or post-relevant information on its website after every such meet. The company may also consider live webcasting of analyst meets.

3. Medium of disclosure/ dissemination

- (i) Disclosure/dissemination of information will be done through various media so as to achieve maximum reach and quick dissemination.
- (ii) *AGSL* shall ensure that disclosure to stock exchanges is made promptly.
- (iii) *AGSL* would also facilitate disclosure through the use of its dedicated Internet website.
- (iv) *AGSL* website would provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
- (v) The information filed by *AGSL* with exchanges under continuous disclosure requirement may be made available on the company website.

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