

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

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### PREAMBLE

Securities and Exchange Board of India ("SEBI") vide its Notification dated January 15, 2015, has issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated December 31, 2018, the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof.

The Regulations stipulate that no Insider shall 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- communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders
- procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed,
- trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information: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;

- 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 01.04.2019 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.

The Code is applicable to the following persons:

- 1) Promoters including member(s) of Promoter group
- 2) Directors
- 3) Employees of the Company and Group Companies
- 4) Concerned Advisers/Consultants/Retainers of the Company
- 5) Connected Persons as defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as per this Code of Conduct

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

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#### **I. DEFINITION**

- A. "Act" means the Securities and Exchange Board of India Act, 1992.
- B. "Board" means the Board of Directors of the Company.
- C. "The Code" means this Code of Conduct for Regulating, Monitoring and Reporting by Insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

- D. "Company" means Almondz Global Securities Limited (AGSL).
- E. "Compliance Officer" means the Company Secretary or such other senior officer designated so, reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal & regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- F. "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 recognized 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.
- G. Designated Persons(s) shall include:
- (i) Managing and Whole-Time Directors;
  - (ii) All Executive Directors;
  - (iii) Associate Directors and Country Head(s);
  - (iv) All Department Heads and Senior Vice Presidents of the Company
  - (v) All employees of Accounts, and Corporate Secretarial & Legal Department
  - (vi) Such other persons as may be notified by the Compliance Officer from time to time
  - (vii) Directors of Material Subsidiaries
  - (viii) Immediate Relatives of all the above persons.
- H. "Director" means the Directors as defined under the Companies Act, 2013.
- I. "Employee" means every employee of the Company whether permanent or contractual basis including the Directors in the employment of the Company.
- J. "Financial Literate" means a person who has the ability to read and understand basic financial Statements i.e. balance sheet, profit and loss account and statement of cash flows.

- K. "Generally available Information" means information that is accessible to the public on a non discriminatory basis.
- L. "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
- M. "Insider" means any person who is:
- a connected person; or
  - in possession of or having access to unpublished price sensitive information.
- N. "Key Managerial Personnel (KMPs)" means:
- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - Company Secretary;
  - Chief Financial Officer;
  - As may be determined by the Board from time to time
- O. "Legitimate Purpose" shall include sharing of unpublished price sensitive information in ordinary course of business by an Insider with Partners, Collaborators/ Lenders, Customers, Suppliers, Merchant Banker, Legal Advisors, Auditors, Insolvency Professionals or other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- P. "Managing Director" means a Managing Director as defined under the Companies Act, 2013
- Q. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof
- R. "Need to Know basis" means that 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 a conflict of interest or appearance of misuse of the information.
- S. "Stock Exchange" means National Stock Exchange of India Limited (NSE) and BSE Ltd.
- T. "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;
- U. "Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- V. "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- W. "Trading Day" means a day on which the recognized stock exchanges are open for trading;
- X. "Unpublished Price Sensitive Information (UPSI)" 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 be including but not restricted to, information relating to the following:
- Financial results;
  - Dividends;
  - Change in capital structure;
  - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - changes in key managerial personnel
- Y. "Regulations" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- Z. "Whistle Blower" means an employee who reports instance of leak of price sensitive information under this Policy Terms that have not been defined in this code shall have the same meaning assigned to them in the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s)

as amended from time to time.

## **II. 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.
- 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.

## **III. Periodical Reporting to Board/Audit Committee**

The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee & to the Chairman of the Board of Directors on yearly basis.

## **IV. Communication or Procurement of Unpublished Price Sensitive Information**

A. All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

B. Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- a. 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 sharing of such information is in the best interests of the Company; or
- b. not attracting 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 sharing of such information 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 to be adequate and fair to cover all relevant and material facts

However, 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 limited purpose as mentioned hereinabove and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information

## **V. Trading Plan**

A Designated Person shall be entitled to formulate a trading plan [in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time] 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/her behalf in accordance with such plan.

## **VI. Trading Window**

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; 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) (ii) change in capital structure; (iii) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; (iv) changes in key managerial personnel; and 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.

#### **VII. Pre-Clearance of Trades**

All Designated Persons should trade in valid open trading window. The Designated Persons who intend to deal in the securities of the Company exceeding the threshold limit of value of Rs. 10 Lakh when the trading window is opened, should pre-clear the transaction from Compliance Officer. 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. When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

The pre-clearance procedure shall be hereunder:

- A. An application shall be made in the prescribed Form (Annexure I) to the Compliance Officer indicating the estimated number & amount of securities that the Designated Person 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 may be required by any rule made by the company in this behalf.
- B. An undertaking ("Annexure I") shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:
  - a. That the Designated Person does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
  - b. That in case the Designated Person 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.

- C. Post receipt of duly executed application form and undertaking, the Compliance Officer, may subject to his/her satisfaction grant the pre-clearance within 2 trading days.
- D. All Designated Persons shall execute their order in respect of securities of the Company within the time period as mentioned in pre-clearance.
- E. The Designated Persons shall file within 2 trading days of the execution of the deal, the details of such deal with the Compliance Officer. In case the transaction is not undertaken, a report to that effect shall be filed in the same form.
- F. If the order is not executed within the time mentioned in pre-clearance order, the designated person must pre clear the transaction again.
- G. Pre-clearance would not be required for trade executed as per approved trading plan.
- H. All Designated Persons 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. In case of any contra trade be executed, inadvertently or otherwise, in violation of such restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

#### **VIII. Reporting of Transactions**

##### **A. Initial Disclosure**

Every person, on being appointed as KMP or a director of the Company or upon becoming a promoter or member of Promoter Group, 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 in Form B as prescribed by SEBI.

##### **B. Continual Disclosure**

a. Every Promoter and member of the Promoter Group & Designated Person and Director 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 these 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 lakhs in Form C as prescribed by SEBI.

Provided however that the Designated Persons shall make disclosures to the Company even if the changes are within the abovementioned limits.

#### **IX. Mechanism on Internal Control**

For ensuring adequate and effective system of internal controls in line with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the following procedure shall be followed:

##### **A. Sharing of information pursuant to Legitimate Purpose**

- a) Any person in receipt of Unpublished Price Sensitive information pursuant to legitimate purposes shall be considered as Designated Person for the purpose of Code.
- b) Advance Notice shall be served on such person by way of email/ letter to maintain confidentiality while possession

of such Unpublished Price Sensitive information.

c) Such person has to ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and the Code.

#### B. Limited Access to Confidential Information

Files containing confidential information shall be kept fully secured. Computer files must have adequate security of login and password etc.

#### C. Non-Disclosure Agreement

The Company shall execute Non-Disclosure Agreement with Parties with whom the Company intends to share any Unpublished Price Sensitive Information

#### D. Documents to be shared by Designated Person with Company

Designated person shall be required to disclose names and PAN or any other identifier authorized by law of the following persons to the Company on an Annual basis and as when the information changes:

- a) Immediate Relatives
- b) Person with whom such designated person(s) share a material financial relationship;
- c) Phone, mobile and cell number which are used by them.

In addition, the name of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis

Explanation: The term material financial relationship shall mean a relationship in which one person is a recipient of any kind of payment such as by way of loan/gift during immediate preceding 12 months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

#### E. Chinese Wall

a) To prevent the misuse of confidential information, the Company shall adopt a "Chinese Wall" policy separating those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/operations or other departments providing support services, considered "public areas". The inside area being defined as Investment Banking, Infrastructure Advisory, Debt Syndication, Institutional Equity Sales, Research, Finance & Accounts and Corporate Secretarial.

b) Demarcation of the various departments as inside area may be implemented by the Company.

c) The employees in inside area may be physically segregated from employees in public area.

d) The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.

e) In exceptional circumstances, Designated Persons from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under

#### F. 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.

#### G. Digital Database

The Company shall maintain digital base containing following information:

- a) Name and PAN of the person/entity(ies) with whom information is shared pursuant to Legitimate Purpose.
- b) Name and PAN of Designated Person alongwith their immediate relatives

#### H. Whistle Blower in case of leak of Unpublished Price Sensitive Information ("UPSI")

a) Any instance of leak of Unpublished Price Sensitive Information should be on the basis of a direct first- hand experience of the Whistle Blower. It should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.

b) The Whistle Blower may report leak of Unpublished Price Sensitive Information by an email to the Managing Director at his e-mail ID mentioning the subject line "LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION".

c) On the basis of reporting, the Managing Director shall conduct examination about the genuineness of the reporting before conduct of inquiry.

d) The Managing Director as soon as ascertaining the genuineness of the reporting about leak of Unpublished Price Sensitive Information, intimate to Board of Directors and Audit Committee.

e) The Company shall take further action based on the recommendations of Board of Directors and Audit Committee accordingly.

f) The instance of leak of Unpublished Price Sensitive Information made by the Whistle Blower must be genuine with adequate supporting data/proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature or was not genuine, the Whistle Blower shall be subject to Disciplinary Action.

#### X. Documentation

The Compliance Officer shall maintain following documents/ records for a minimum period of five years:

- A. Record of initial & continuous disclosure;
- B. List of Designated Persons and changes therein;
- C. Record of date of closing and opening of trading window;
- D. Record of application made for pre-clearance alongwith undertaking taken thereof;
- E. Record of cases waiving holding period during emergency;
- F. Record of periodical and annual statement.

#### XI. Penalty for Contravention

A. Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

B. Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

C. Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans etc.



D. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

## **XII. Other Restrictions**

The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

## **XIII. Disclaimer**

This policy is only internal code of conduct and one of the measures to avoid insider trading. Every insider is required to familiarize himself with the SEBI regulation as it will be the responsibility of each insider to ensure compliance of this code, SEBI regulation and other related statutes fully.

## **XIII. SEBI Regulations/Statutory Provisions to Prevail**

Please note that in case the SEBI regulations or any statutory provisions are more stringent than those contained in the code, the SEBI regulations / statutory provisions will prevail.

This policy is only internal code of conduct and one of the measures to avoid insider trading. It will be the responsibility of each employee to ensure compliance of SEBI guidelines and other related statutes.

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

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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 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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