

SMIFS CAPITAL MARKETS LIMITED

(Hereinafter referred to as “the Company”)

THE COMPANY’S CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

1. Compliance Officer

1.1 The Company has appointed the Company Secretary as the Compliance Officer for this purpose.

1.2 The Compliance Officer will report to the Managing Director/Chief Executive Officer of the Company with respect to the matters covered under the Company’s Code of Conduct for prevention of insider trading.

1.3 The Compliance officers shall be responsible, under the overall supervision of the Board of Directors of the Company, for the following:

1.3.1 Setting forth policies, procedures, monitoring adherence to the rules for the prevention of misuse of “Unpublished Price Sensitive Information”;

1.3.2 Pre-clearing trades of the employees and their dependants in respect of the securities of the company;

1.3.3 Implementation of the code of conduct for prevention of insider trading;

1.3.4 Formulate a code for fair disclosure and conduct of unpublished price sensitive information.

1.4 The Compliance officers shall assist all the employees in addressing any clarification in this regard.

2. Persons covered under the Company’s Code of Conduct (“Insiders”)

2.1 Designated Persons:

2.1.1 All promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;

- 2.1.2 Managing Director and employees upto two levels below Chief Executive Officer of the Company and the material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- 2.1.3 Employees at the level of Deputy General Manager and above and all the employees in the important departments including accounts and finance department, legal department, internal audit department, IT department etc (hereinafter referred as “Designated employees”);
- 2.2 Immediate Relative of 2.1 above where “immediate relative” shall mean 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;
- 2.3 Any person in receipt of Unpublished Price Sensitive information pursuant to a “legitimate purpose”
- 2.4 Any other person having possession of Unpublished Price Sensitive Information.

3. Unpublished Price Sensitive Information or UPSI

- 3.1 Insiders shall maintain confidentiality of all Unpublished Price Sensitive Information. Insiders shall not pass on such information to any person directly or indirectly by way of making a recommendation for purchase or sale of securities.

Definition of “Unpublished Price Sensitive Information” as per SEBI (Prohibition of Insider Trading) Regulations, 2015 along with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 is reproduced below:

“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 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;**
- 3.2 Unpublished Price Sensitive Information” is to be handled on a “need to know” basis i.e., Unpublished price sensitive information should be disclosed only to those within the company who need the information to discharge their duty.

3.3 All the files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

4. Prevention of misuse of “Unpublished Price Sensitive Information”

All insiders shall be subject to trading restrictions as enumerated below:

4.1 Trading Window

4.1.1 The trading window shall be closed for a period starting from the end of every quarter till 48 hours after the declaration of financial results or of other price sensitive information as stated in clause 4.1.3 below.

4.1.2 When the trading window is closed, the insiders shall not trade in the Company's securities in such period.

4.1.3 The trading window shall be, inter alia, closed at the time of:

- (a) Declaration of Financial results (quarterly, half yearly and annually)
- (b) Declaration of dividends (interim and final)
- (c) Issue of securities by way of public / rights / bonus etc.
- (d) Any major expansion plans or execution of new projects.
- (e) Amalgamation, mergers, takeovers and buyback.
- (f) Disposal of whole or substantially whole of the undertaking.
- (g) Any changes in policies, plans or operations of the Company.

4.1.4 All insiders shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transactions involving the purchase or sale of the Company's securities during the periods when trading window is closed, as referred to in para 4.1.3 or during any other period as may be specified by the Company from time to time.

4.2 Pre-clearance of trades

4.2.1 Except when “Trading Window” is closed as referred to in 4.1.2, all insiders who intend to deal in these securities of the Company in excess of **market value of Rs. 5,00,000/-** should pre-clear the transaction as per the pre-dealing procedure as described hereunder.

4.2.2 An application in **FORM B** shall be made to the Compliance Officer indicating the estimated number of securities that the insider intends to deal in, the details of the depository with which he or she has a security account, the details of the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.

4.2.3 The Statement of shareholding at the time of pre-clearance in **FORM C**.

- 4.2.4 An undertaking in **FORM D** shall be executed in favour of the Company by such insider.
- 4.2.5 All insiders shall execute their order in respect of securities of the Company within one week from the date of approval of pre-clearance by the Compliance Officer. If the order is not executed within one week from such date of approval, the insider must pre-clear the transaction again after giving sufficient reason in writing, to the Compliance Officer, for such non-execution.

4.3 Contra Trade

- 4.3.1 Insiders who trade in the securities of the Company shall not enter into a contra trade transaction during the next six months following the previous transaction (i.e. if you BUY, you cannot SELL shares for the next six months and vice versa).
- 4.3.2 In case of any Contra Trade being executed, inadvertently or otherwise, in violation of such restriction, the profits from such trade shall be liable to be discharged for remittance to the SEBI for credit to the Investor Protection and Education Fund administration by SEBI.
- 4.3.3 In the event, the sale of securities is necessitated by personal emergency within the 6 months period, the above requirement may be waived by the Compliance officer after recording in writing his/her reasons.
- 4.3.4 Contra-trade shall not be applicable to trades pursuant to exercise of stock options.

4.4 Trading Plan

- 4.4.1 Any insiders shall be entitled to formulate a Trading Plan for a period not less than 12 months that complies with the SEBI (Prohibition of Insider Trading) Regulations, 2015 including the provisions contained in SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and other such amendments issued from time to time.
- 4.4.2 The trading plan shall 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;
- 4.4.3 Insiders shall ensure that the trading plan does not include trading for the period between the 20th trading day prior to last day of any financial period for which the results are required to be announced by the Company and the second trading day after the disclosure of such financial results.
- 4.4.4 This Trading Plan shall be presented to the Compliance officer for approval and public disclosure pursuant to which the trades may be carried out in his behalf in accordance with such plan.

- 4.4.5 The Compliance officer shall review and approve the Trading Plan if it complies with the said SEBI Regulations and shall disclose the Trading Plan to the Stock Exchanges.
- 4.4.6 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.
- 4.4.7 The implementation of the said trading plan shall not be commenced, if at the time of formulation of the plan, the insider is in possession of Unpublished Price Sensitive Information and the said information has not become generally available at the time of commencement of implementation. It shall be deferred until the same becomes generally available information.
- 4.4.8 Trades executed as per an approved trading plan shall not require pre-clearance of trades and compliance with trading window and/or contra trade norms.

5. Reporting Requirements

- 5.1 All insiders shall be required to forward following details of their Securities transactions including the statement of dependent family members i.e., dependent parents, spouse, sons and daughters, to the Compliance officer.
 - 5.1.1 All holdings in securities of the Company at the time of joining the Company, in **FORM A**.
 - 5.1.2 Confirmation of sale/purchase of shares (for which approval was granted) in **FORM E** immediately after completion of sale/purchase as the case may be.
 - 5.1.3 Disclosure of change in holding after sale/purchase of shares in **FORM F** immediately after completion of sale/purchase as the case may be.
 - 5.1.4 Disclosure to the Company, if the value of securities acquired or disposed of, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of **Rs. 10,00,000/-** (Rupees Ten Lakhs) in **FORM G & FORM C under SEBI (PIT) regulations, 2015** within 2 trading days of such trade.
 - 5.1.5 All the dealings in securities of the Company by the Designated Persons and their Immediate Relatives should be disclosed on annual basis, as at 31st March every year to the Compliance Officer along with any additional information as may be required by the SEBI (Prohibition of Insider Trading Regulations), 2015.

I) Initial Disclosure:

- a) Every Promoter & Promoter Group, Director, key managerial personnel of the Company shall disclose their holding of securities of the Company as on the date of the SEBI (Prohibition of Insider Trading) Regulations, 2015 taking effect, to the Company within thirty (30) days of the taking effect of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- b) Every person on appointment as a key managerial personnel or a Director of the Company or upon becoming a Promoter or 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 (7) days of such appointment or becoming a Promoter.
- c) Every Employee on appointment shall disclose his holdings of securities of the Company as on the date of appointment.

(II) Continual Disclosures.

- a) Every Promoter & Promoter Group, Designated Persons and their Immediate Relatives shall disclose to the Company the number of such securities acquired or disposed of within two (2) Trading Days of such transaction.
- b) Every Promoter & Promoter Group, Designated Persons and their Immediate Relatives shall disclose to the Company the number of such securities acquired or disposed off within two (2) Trading Days if the value of the securities traded, whether in one (1) transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakh only) or such other value as may be specified.
- c) The Company shall notify the particulars of such trading in excess of Rupees 10,00,000/- (Rupees Ten Lakh only) as mentioned in point b above, to the stock exchange on which the securities are listed within two (2) 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 (b) of sub-regulation (II).

Further as per Regulation 29(4) SEBI (SAST), 2011, the Shares taken by way of encumbrance shall be treated as an acquisition, shares given upon release of encumbrance shall be treated as a disposal, and disclosures as per Regulation 29 of SEBI(SAST), 2011 shall be made by such person accordingly.

Definition of encumbrance as per Regulation 28 of SEBI (SAST), 2011 –

Encumbrance shall include a pledge, lien or any such transaction, by whatever name called.

6. Penalty for contravention of code of conduct

In case of any contravention of the Company's Code of Conduct, the insider shall be subjected to the following penalties.

6.1 Any Director/officer/designated employee of the Company who violates the code of conduct 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, recovery, clawback etc.

6.2 Apart from the above action taken by the Company, SEBI may take any appropriate action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015 including any amendments made from time to time.

7. Code of fair disclosure and conduct

The Company shall diligently observe the following principles of fair disclosure of unpublished price sensitive information (UPSI):

7.1 Disclosure of UPSI

7.1.1 Disclosure/dissemination of any UPSI shall be done promptly, by the Compliance Officer or such other person as authorised by the Board of Directors from time to time, by intimating such UPSI to the Stock Exchanges and uploading the same on the website of the Company in accordance with the SEBI (Prohibition of Insider Trading) regulations, 2015 including any amendments made from time to time.

7.1.2 The Board of Directors of the Company shall ensure prompt public disclosure of UPSI pursuant to this policy and the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (including any amendments made from time to time) with an objective of making such unpublished information generally available.

7.1.3 The Board of Directors, when making the unpublished information public, shall ensure uniform and universal dissemination to avoid selective disclosure.

7.1.4 There shall be Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.

7.1.5 No UPSI shall be shared with any person unless the information is made generally available i.e. it becomes public information.

7.2 Communication or procurement of UPSI

7.2.1 No insider shall communicate, provide or allow access to any UPSI, relating to the company or securities listed or proposed to be listed to any person including other insider except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

7.2.2 No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

7.2.3 The term "Legitimate purposes" shall include the following:

(i) sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, 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;

(ii) other such purposes the Board may determine from time to time.

7.2.4 Any person in receipt of UPSI pursuant to such "legitimate purpose" shall be given due notice regarding maintaining confidentiality of such UPSI in compliance with this policy and also regarding the liability attached with misuse or unwarranted use of such UPSI.

8. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations

8.1 In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendments made from time to time, SEBI shall be informed by the Company/Compliance officer.

9. Authority to amend the Company's Code of Conduct

9.1 The Company/Compliance Officer is authorised to amend/alter/delete any of the above-mentioned clauses of the Company's Code of Conduct or add any new clause to the Company's Code of Conduct.

(The above policy was reviewed and approved by the Board of Directors at its meeting held on 28th May, 2019)

FORM A

FORM FOR INITIAL DISCLOSURE OF DETAILS OF SHARES HELD BY PROMOTER/SUBSTANTIAL SHAREHOLDERS/DIRECTORS/DESIGNATED EMPLOYEES

To,
The Compliance Officer,
SMIFS CAPITAL MARKETS LIMITED
VAIBHAV, 4F, 4 LEE ROAD
KOLKATA 700020

Date: _____

I. DETAILS OF SHAREHOLDING OF PROMOTER / SUBSTANTIAL DIRECTOR / OFFICER / DESIGNATED EMPLOYEE HELD IN THEIR OWNNAME

Name	Designation	Department/ Date of Joining	Date of becoming Substantial Shareholder / Director / Officer / Designated Employee	No. of shares held	Date of acquisition	Folio No./DP ID / Client ID

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS (SPOUSE, PARENTS, SIBLINGS, CHILDREN WHO ARE FINANCIALLYDEPENDENT)

Name of Relative	Relationship	No. of Shares held	Folio No./DP ID / Client ID

I/We further declare that the above disclosures is true and correct.

Signature _____

FORM B
APPLICATION FOR PRE-CLEARANCE

To,
The Compliance Officer,
SMIFS CAPITAL MARKETS LIMITED
VAIHAV 4F, 4 LEE ROAD,
KOLKATA 700020

Date: _____

From,

Name :
Designation :
Department :

With reference to the Code for prohibition of Insider Trading, I seek your approval to subscribe to/agree to subscribe to/ purchase/sell/deal as an agent/principal in _____(nos.) equity shares of the Company in the next seven days.

The statement of shareholding in **FORM C** as on _____ and Undertaking in **FORM D** in the prescribed format are enclosed for your perusal in this connection.

I have gone through the Code of Conduct in respect of prevention of Insider Trading and I will abide by all the rules made there under.

I have understood that I will be dealing in these securities in the course of next seven days after receiving the permission from you.

I agree that if after getting your approval I do not trade in the securities within 7 trading days. I will treat the permission given as cancelled.

Date: _____

Signature: _____

FORM C
STATEMENT OF SHAREHOLDING AT THE TIME OF PRE-CLEARANCE

To,
The Compliance Officer,
SMIFS CAPITAL MARKETS LIMITED
VAIHAV 4F, 4 LEE ROAD,
KOLKATA 700020

Date: _____

I. DETAILS OF SHAREHOLDING OF PROMOTER / DIRECTOR / OFFICER / DESIGNATED EMPLOYEE HELD IN THEIR OWNNAME

Name	Designation	Department	No. of Shares held (with Folio/DP ID/Client ID)	Nature of Transaction for which Approval is sought	No. of Shares to be dealt

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS (SPOUSE, PARENTS, SIBLINGS, CHILDREN WHO ARE FINANCIALLYDEPENDENT)

Name	Relationship	No. of Shares held (with Folio/DP ID/Client ID)	Nature of Transaction for which Approval is sought	No. of Shares to be dealt

I/We further declare that the above disclosures is true and correct and is in accordance with the previous disclosures given to the Company.

Signature _____

FORM D

UNDERTAKING TO BE SUBMITTED ALONG WITH THE APPLICATION FOR PRE-CLEARANCE

I, _____ (Name, Designation and Department) residing at _____ (Address) am desirous of dealing in _____ no. _____ of shares of the Company as mentioned in my application dated _____ for per-clearance of the transaction.

As required by the Code of Prohibition of Insider Trading. I hereby state that –

- (a) I neither possess nor have any access to information that could be construed as “Unpublished Price Sensitive Information” as defined in the code up to the time of signing this undertaking;
- (b) In the event that I have access to or received any information that could be construed as “Unpublished Price Sensitive Information” as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance officer of the same and shall completely refrain from dealing in these securities of the Company until such information becomes public;
- (c) I have not contravened the provisions of the code of conduct for prohibition of Insider Trading as notified by the Company from time to time.
- (d) I have made full and true disclosure in the matter.

Date: _____

Signature: _____

FORM E
CONFIRMATION OF DEAL

To,
The Compliance Officer,
SMIFS CAPITAL MARKETS LIMITED
VAIHAV 4F, 4 LEE ROAD,
KOLKATA 700020

Date: _____

Dear Sir,

I confirm that the share dealing for which approval was granted on _____ was completed on _____ by purchasing/selling _____ (nos.) equity shares of the Company.

Date: _____

Signature: _____

FORM F
FORM FOR DISCLOSURE OF CHANGE IN HOLDING

To,
The Compliance Officer,
SMIFS CAPITAL MARKETS LIMITED
VAIHAV 4F, 4 LEE ROAD,
KOLKATA 700020

Date: _____

I. DETAILS OF SHAREHOLDING OF PROMOTER/SUBSTANTIAL SHAREHOLDER(S)/DIRECTOR/OFFICER/DESIGNATED EMPLOYEE SHLD IN THEIR OWN NAME

Name	Designation	Department	No. of Shares held before the transaction	Name of Transaction			Date of Transaction	No. of Shares Transacted	Whether Approval Obtained	Date of Approval	Approval No.	Balance Holding as on	Folio No./DP ID / Client ID
				Purchase	Sale	Others (Specify)							

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS (SPOUSE, PARENTS, SIBLINGS, CHILDREN WHO ARE FINANCIALLY DEPENDENT)

Name	Relationship	No. of Shares held before the transaction	Name of Transaction			Date of Transaction	No. of Shares Transacted	Whether Approval Obtained	Date of Approval	Approval No.	Balance Holding as on	Folio No./DP ID / Client ID
			Purchase	Sale	Others (Specify)							

I/We further declare that the above disclosures is true and correct and is in accordance with the previous disclosures given to the Company.

Signature _____

FORM G

VALUE OF TRANSACTION EXCEEDS TEN LAKHS

To,
The Compliance Officer,
SMIFS CAPITAL MARKETS LIMITED
VAIHAV 4F, 4 LEE ROAD,
KOLKATA 700020

Date: _____

I. STATEMENT OF SHAREHOLDING OF PROMOTER / DIRECTOR / OFFICER / DESIGNATED EMPLOYEE

Name	Designation	Department	No. of Shares held on / at the beginning of the Quarter	No. of shares bought during the Quarter	No. of Shares sold during the Quarter	No. of Shares held on _____ / at the end of the Quarter	Folio No./DP ID / Client ID

FORM G

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS (SPOUSE, PARENTS, SIBLINGS, CHILDREN WHO ARE FINANCIALLY DEPENDENT)

Name	Relationship	No. of Shares held on _____/ at the beginning of the Quarter	No. of shares bought during the Quarter	No. of Shares sold during the Quarter	No. of Shares held on _____/ at the end of the Quarter	Folio No./DP ID / Client ID

I/We further declare that the above disclosures is true and correct and is in accordance with the previous disclosures given to the Company.

Signature _____

PRE-CLEARANCE ORDER

To,

Name :

Designation :

Department :

This is to inform you that your request for dealing in _____ (nos.) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 trading days from today.

Date: _____

For SMIFS CAPITAL MARKETS LIMITED

