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# SMC GLOBAL SECURITIES LIMITED

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Date: November 8, 2021

To,

<b>Listing Operations</b> BSE Limited, P J Towers, Dalal Street, Mumbai -400001, India  Scrip Code: 543263	<b>Listing Department</b> National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400051  Symbol: SMCGLOBAL
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## Sub: Intimation under Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015

Pursuant to the provisions of Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015, please find enclosed herewith a copy of the amended 'Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information', as approved by the Board of Directors at its meeting held on 8<sup>th</sup> November, 2021.

We request you to take the amended code on record.

Thanking you,  
For SMC Global Securities Limited

Suman Kumar  
E.V.P. (Corporate Affairs), Company Secretary & Compliance Officer  
(Membership No. F5824)

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**CODE OF PRACTICES AND PROCEDURES FOR FAIR  
DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE  
INFORMATION**

*[Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

*Original date of adoption: 9<sup>th</sup> June, 2020*

*Amended on: 8<sup>th</sup> November, 2021*

This Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as 'Code') is framed in terms of Regulation 8(1) read along with Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'Regulations').

The Board of Directors of the Company in its meeting held on 9<sup>th</sup> June, 2020 approved the Code. Thereafter, the Code was amended by the Board of Directors in its meeting held on 7<sup>th</sup> June, 2021 which was finalized in the Board Meeting held on 8<sup>th</sup> November, 2021.

**Preamble**

The Code intends to preserve confidentiality of unpublished price sensitive information (UPSI) and prevent any misuse or inappropriate use of the information by a select group of persons having access to UPSI. The Code governs the public and universal dissemination of any information which may have any impact on the price of securities of the Company and prohibits selective disclosure.

This Code intends to lay down the principles and practices to be followed by SMC Global Securities Limited ('the Company') pertaining to universal disclosure of UPSI.

**Applicability**

The Code is applicable on all the Designated Persons (including immediate relatives), Insiders of the Company and/or any person having authorized/unauthorized access to UPSI of the Company.

**Definitions**

All the words and expression used in the Code, unless defined herein, shall have same meaning as respectively assigned to them under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.



## Principles of the Fair Disclosure

The principles of fair disclosure of UPSI are as follows:

- a) The Code intends to require company to disseminate UPSI universally and not selectively through following any or all of the following:
  - a. Intimation to Stock Exchange or any other Regulatory Authority
  - b. Press releases or presentations to analysts/investors or media including electronic media
  - c. Disclosing the same on the website of the Company
  - d. Any other method that ensures wide distribution of the news such as webcasts and webinars.
- b) To promptly make public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- c) Handling of UPSI on need to know basis after ensuring necessary safeguards in this regard,
- d) If an insider 'selectively' discloses any UPSI to any person, then prompt disclosure of such information shall have to be made by CIRO to the public, except for information shared for legitimate purposes.

## Chief Investors Relations Officer

The Company Secretary is the Chief Investors Relations Officer (CIRO) for the purpose of this Code. The CIRO is responsible for dealing with universal dissemination of unpublished price sensitive information to stock exchanges in line with the internal processes and policies of the Company.

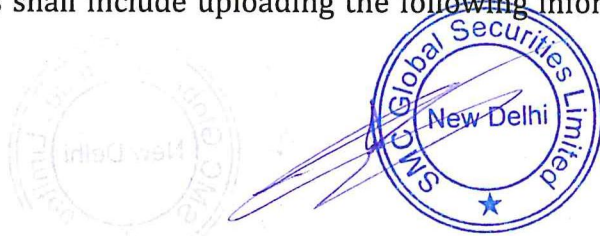
In the event of inadvertent or selective disclosure of UPSI, the CIRO shall take prompt action to ensure that information is generally available. Further, if an Insider receives a query about any UPSI related to the Company, he/she shall not comment on the same and shall forward such query to the CIRO, who shall deal with such query in accordance with Applicable Law and this Code.

In case of doubt, the CIRO may consult and seek approval from the Managing Director/Executive Directors/Chief Financial Officer of the Company, before disclosing the information.

## Third Party Dealings

The CIRO shall ensure that best practices of making 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 are developed by the Company.

The best practices shall include uploading the following information on the website of the Company-



- a) Any Power Point Presentation or similar material used by the analyst in such meeting on the website of the Company and/or stock exchange.
- b) Any earnings guidance or any other similar material distributed during press conference.

In addition the following guidelines will be adopted by the company while dealing with Analysts/Institutional investors:-

- a) The Company will provide only public information to analysts/research persons/large investors/Institutions and no UPSI shall be shared.
- b) Questions outside the intended scope of discussions by the Analysts will not be answered normally but the same may be taken on notice and a considerable response may be given later, subject to the condition that no UPSI is shared.
- c) Whenever the Company will organise meetings with analysts it will normally be followed by a press release and the same information will also be posted on the website of the Company and shall be sent to the Stock Exchanges.

The Company shall take extreme care and caution when dealing with analysts'/investor questions that raise issues outside the intended scope of discussion. The unanticipated questions shall be tackled carefully so as to prevent any disclosure of UPSI.

#### **Handling of UPSI on need to know basis**

All information that may be classified as UPSI would be dealt with by the designated persons and Insiders on 'Need to know basis' only i.e. no insider shall communicate, provide or allow access to any UPSI relating to the Company or its securities to any person including other insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

All insiders have to adhere to the conditions of strict confidentiality and shall not share UPSI except for the aforesaid purposes.

#### **Market Rumors**

The Company shall ordinarily not comment, affirmatively or negatively, in relation to market rumors, unless specifically requested by the regulatory authorities to verify the same. In case, the stock exchanges direct the Company to make a definitive statement in response to market rumor, the CIRO in consultation with senior management shall provide adequate clarifications to the stock exchange.

Exceptionally, in respect of market rumors which may have major bearing on the business of the Company, the Company may after receiving request from regulatory authorities, issue appropriate and fair clarifications or responses to the stock exchange.

As a general rule 'No Comment' principle shall be ensured by the Company in case of market rumors/speculation.



## Disclosure of USPI

The USPI may be disclosed by the Company for following purposes:

- a) With persons for legitimate business purposes (e.g. attorneys, investment bankers, or accountants) in accordance with the policy on determination of legitimate purposes.
- b) With persons who have expressly agreed in writing to keep the information as confidential and shall not trade in the securities of the Company basis such information e.g. joint venture partners, vendors, service providers etc.

## Review of the Code

In case of any subsequent changes in the provisions of the Regulations or any other applicable law which makes any of the provisions in this Code inconsistent with the existing law, then the provisions of the amended law shall prevail over the Policy and the provisions of the Code shall be duly modified by the Board of Directors to make it consistent with the existing law.

This Code and subsequent amendment(s), if any, shall be disclosed on the website of the Company and shall be promptly intimated to the stock exchanges where the securities of the Company are listed.

## Non-compliance of the Code

Any sharing of USPI, other than in compliance with the Policy and the Insider Trading Regulations, would be construed as a violation. The onus lies on the insider to prove to the contrary. In case of any violation of this Policy, disciplinary action would be taken by the Company. The Company shall also inform SEBI about the violation.



## **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

*[Pursuant to Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

This Policy is a part of Company's 'Code of practices and procedures for fair disclosure of UPSI' formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy shall be strictly adhered by every insider (including designated person) of the Company.

### **Legitimate Purpose**

The term 'legitimate purpose' shall include sharing of UPSI in the ordinary course of business by an insider with bankers, lenders, merchant bankers, legal advisors, auditors, consultants and others, provided that such sharing has not been carried out to evade or circumvent the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. In simple words, legitimate purpose shall mean sharing of UPSI with any person for conducting business operations and discharge of legal obligations. Any information provided for legitimate purposes shall be documented by virtue of a Non-Disclosure Agreement with the Company or otherwise subject to confidentiality obligation on the part of recipient of information and digital database for tracking such information shall be maintained by the Compliance Officer.

Any person in receipt of UPSI for legitimate purpose shall be considered as an Insider for the purposes of the Regulation and due notice shall be given to such persons which would include following:

- a) Intimation that the information shared with the recipient is in the nature of UPSI as per Insider Trading Regulations;
- b) Instruction to maintain confidentiality of information
- c) Instruction to not trade in the securities of the Company when in possession of UPSI
- d) Obligation that the recipient shall obtain the Company's prior written consent in case the information provided to such recipient is to be used by such recipient for a purpose other than the Legitimate Purpose for which the Company had provided the UPSI and such other purpose is also a Legitimate Purpose.

### **Determination of Legitimate Purpose**

The determination of term 'legitimate purpose' in accordance with the provisions of the Regulations is a subjective assessment and shall be evaluated on case to case basis. The Compliance Officer shall determine as what can be regarded as legitimate purpose. In case of doubt, the Compliance Officer may consult the Managing Director/Chief Financial Officer/Executive Directors for the purpose of determination. Any insider, before sharing UPSI should consider following questions:



**A) Evaluating the purpose for which the UPSI is proposed to be shared**

The person sharing the information should understand and evaluate the need for which the UPSI is being shared. The evaluation is necessary to understand whether facilitation of the information shall qualify as a legitimate purpose as per the Regulations and internal policies of the Company. The information which is UPSI for the Company should be shared only on 'Need to know' basis.

**B) Evaluating the need of information by the recipient**

The insider has to understand the need of the information being shared to the recipient. This implies that all and every information should not be provided, only information which is utmost important for execution of task by the recipient should be facilitated.

**C) Analyzing whether confidentiality agreement shall be executed and maintained by the recipient**

Any sharing of UPSI without entering into confidentiality agreement is not possible. Hence, the provider of the information should intimate the recipient to execute confidentiality agreement. The Company shall obtain necessary particulars in respect of the recipient (legal or natural) with whom UPSI is proposed to be shared, including, name, address, email, Permanent Account Number (PAN), or any other identifier authorised by law, where PAN is not available; and such other documents as may be deemed fit

Response queries should be well recorded by the concerned Designated Person sharing the UPSI and shall be forwarded to the Compliance Officer along with the mandate/ obligation for updating in the database maintained by Compliance Officer. In this regard, any modification of information or further facilitation of information by the insider to the recipient or by the recipient to any other third party should also be intimated to the Compliance Officer.

In this regard, the Insider shall comply with the requirements in relation to circumstances and procedure for bringing people 'inside' as is provided in 'Code of Conduct'.

**Maintenance of Structural Digital Database**

The Company shall maintain a structured digital database of the persons with whom UPSI is shared for legitimate purposes in accordance with the Insider Trading Regulations. The database shall inter alia contain the names of the persons or entities with whom the information is shared and the person who is sharing the information under the Insider Trading Regulations along with the Permanent Account Number ("PAN") or any other identifier authorized by law where PAN is not available. The said database shall be kept confidential and shall not be outsourced.

