

# **RATNABALI SECURITIES PRIVATE LIMITED**

Woodburn Central, 3rd Floor, 5A, Wood Burn Park Road, Kolkata WB 700020

PHONE: (033) 4015 0000, CIN – U65100WB2012PTC183212,

Website – [www.ratnabali.com](http://www.ratnabali.com)

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## **CODE OF INTERNAL PROCEDURES AND CONDUCT FOR PREVENTION OF INSIDER TRADING.**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, has been amended from time to time (hereinafter referred to as the 'Regulations') in terms of which the Company is required to frame a Code of Conduct for prevention of insider trading by employees of the Company, including the Directors, in relation to the securities of the Company.

In line with the said Regulations, a Code of Conduct (hereinafter referred to as the 'Code') was adopted by the Board of Directors of the Company.

For the purpose of the Code:

In this Code, unless the context otherwise requires:

- (i) **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (ii) **"Regulations"** means the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- (iii) **"the Company"** means Ratnabali Securities Markets Limited (RSPL).
- (iv) **"Code"** means this RSPL Code of Conduct for Prevention of Insider Trading, as modified from time to time.
- (v) **"Dealing in Securities"** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of RSPL by any person either as principal or agent.
- (vi) **'Insider Trading'** : When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading.
- (vii) **'Insider'** means any person who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or who has received or has had access to such unpublished price sensitive information.

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(viii) **'Connected Persons'** means any person who

1. Is a director of the company; or
2. An officer or employee of the company; or
3. Has a professional or business relationship with the company

(ix) **'Deemed Connected Persons'** means and includes:

1. Any group company, company under the same management or subsidiary of the Company;
2. Dependent Family Members of Connected Persons;
3. Bankers of the Company;
4. Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;
5. Trustees of any trust the beneficiaries of which include any of the Connected Persons;
6. Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
7. Any person who was a connected person, whether temporary or permanent six months prior to an act of insider trading;
8. Persons having professional or business relationship between themselves and the company, whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;
9. Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;
10. Intermediary, Investment Company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation.
11. A member of the Board of Directors, or an employee of a public financial institution as defined in section 4A of the Companies Act, 1956
12. A concern, firm, trust, HUF, Company or association of persons wherein any of the connected persons have more than 10% of the holding or interest.

(x) **'Compliance Officer'** means the CFO of the Company;

(xi) **'Designated Employees'** shall mean:

1. All Directors, Executive and Non-Executive;
2. All officers of the level of Assistant Managers;
3. All employees of Corporate Affairs/Secretarial Department;

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4. All employees of Corporate Accounts & Finance Department;
5. Other employees as may be designated by the Compliance Officer in consultation with the Chairman and Managing Director of the Company from time to time.

(xii) **'Dependent Family Members'** shall mean the family members as declared by the employee as their Dependent Family Members;

(xiii) **'Price Sensitive Information'** any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of Company.

Explanation : The following shall be deemed to be price sensitive information:-

1. Periodical financial results of the company;
2. Intended declaration of dividends (both interim and final);
3. Issue of securities or buy-back of securities;
4. Any major expansion plans or execution of new projects;
5. Amalgamation, mergers or takeovers;
6. Disposal of the whole or substantial part of the undertaking;
7. Any significant changes in policies, plans or operations of the company.

(xiv) **“Trading Window”** means trading period for trading in the securities, placed in the restricted / grey list. All days shall be the trading periods except when trading window is closed.

When the trading window is closed, all directors/ designated employees of RCMPPL shall not trade in securities, placed in restricted / grey list in such period.

The Trading Window shall open 24 hours after communication of the decision of the Board of Directors in respect of the price sensitive information.

All Directors/designated employees shall conduct all their dealings in the securities placed in restrictive / grey list 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 or during any other period as may be specified by the Company from time to time.

## **Chinese Wall**

1. To prevent the misuse of confidential information the organization/firm shall adopt a “Chinese Wall” policy which separates those areas of the organization/ firm which routinely have access to confidential information, considered “inside

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areas” from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered “public areas”.

2. The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.
3. The employees in inside area may be physically segregated from employees in public area.
4. Demarcation of the various departments as inside area may be implemented by the organization/firm.
5. In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the compliance officer.

## **Restriction/Grey list**

1. In order to monitor Chinese wall procedures and trading in client securities based on inside information, the organization/firm shall restrict trading in certain securities and designate such list as restricted/grey list.
2. Security of a listed company shall be put on the restricted/grey list if the organisation/firm 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.
3. Any security which is being purchased or sold or is being considered for purchase or sale by the organization/firm on behalf of its clients/ schemes of mutual funds, etc. shall be put on the restricted/ grey list..
4. As the restricted list itself is a highly confidential information it shall not be communicated directly, or indirectly to anyone outside the organization/firm. The Restricted List shall be maintained by Compliance Officer.
5. When any securities are on the Restricted List, trading in these securities by designated employees/directors/partners may [be] blocked or may be disallowed at the time of pre-clearance.

## **Pre-clearance of trades**

1. All Directors/ officers/designated employees of the company and their dependants who intend to deal in the securities of the company above a minimum of 100000 (either in one transaction or in a series of transactions) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
2. An application shall be made to the compliance officer indicating the estimated number of securities that the designated employee/ officer/ 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 may be required by any rule made by the company in this behalf.

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3. An Undertaking shall be executed in favour of the Company by such Designated employee/ Director/ Officer incorporating, *inter alia* the following clauses, as may be applicable :

(a) That the designated employee/director/officer does not have access or has not received “Price Sensitive Information” up to the time of signing the Undertaking.

(b) That in case, the designated employee/director/officer/dependant family member has access to or receives “Price Sensitive Information” after the signing of this undertaking but before execution of the transaction, he/she shall inform the Compliance Officer of the change in position and that he/she shall completely refrain from dealing in the securities of the company till the time such information is made public.

(c) That he/she has not contravened the Company’s Code of Conduct for Prevention of Insider Trading as notified by the company from time to time.

(d) That he/she has made full and true disclosure in the matter-

## **Other restrictions**

1. All directors/officers/designated employees and their dependants 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.

2. All directors/officers/designated employees 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 net six months following the prior transaction.

All directors/officers/designated employees shall also not take positions in derivative transactions in shares of the Company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

3. 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.

4. Analysts, if any, employed with the Company while preparing research reports of a client company shall disclose their shareholding/interest in the company to the compliance officer.

5. Analysts who prepare research report shall not trade in securities of the company for thirty days from preparation of the report.

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## **Minimum Period for holding of Securities/Listed Securities**

1. All Directors/designated employees 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. All directors/officers/designated employees shall also not take positions in derivative transactions in the shares of the company at any time.
2. In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
3. 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 reasons in this regard.

## **Reporting Requirements by all Designated Employees**

1. All Directors/officers/designated employees shall forward to the Compliance Officer following details of their securities transactions including the statement of dependent family members:
  - (a) all holdings in securities of the company, at the time of joining the company;
  - (b) all dealings in securities of the company within a period of seven days of transaction;
  - (c) annual statement of all holdings in securities of the Company.
2. The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code, as received from time to time, for a period of three years.
3. The Compliance Officer shall place before Chairman & Managing Director\Committee specified by the Company, on a monthly basis, all the details of the dealing in the securities by designated employees/director/officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

## **Disclosure Requirements**

Designated Employees shall make the following disclosures of shares and other securities held in the Company by them and their Dependants, to the Compliance Officer:

### **I. Initial Disclosures -**

Regulation	By Whom	What to be	When to be	Form
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		disclosed	disclosed	
SEBI (Prohibition of Insider Trading ) Regulations , 2015. Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the Company.	Every promoter, key managerial person, and director	Number of Shares held by such person	Within 30 days of this regulation to take effect to the company.	A
SEBI (Prohibition of Insider Trading ) Regulations , 2015. Regulation 7 (1) (B) read with Regulation 6 (2) – Disclosure on becoming a director/ KMP/ Promoter.	Every Person on appointed as a Key Managerial Personnel or a Director of the Company or upon becoming a promoter.	Number of shares held by such person	Within 7 days of such appointment or becoming a promoter to the Company	B

## II. Continual Disclosures

Regulation	By Whom	What to be disclosed	When to be disclosed	Form
SEBI (Prohibition of Insider Trading ) Regulations , 2015. Regulation 7 (2) read with Regulation 6 (2)	Every promoter, employee, and director	Transactions details if the value of the securities traded, whether in one or more transaction over any calendar	Within 2 trading days to Company	C

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) – Continual disclosure		quarter, aggregates to a traded value in excess of 10 lakhs rupees.		
Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6 (2)	Connected persons as defined under the Act.	Disclosure of Holding and trading in securities of the Company	As may be determined by the Company.	D

## Penalty for Contravention

Violation of this Code will invite severe disciplinary action. Such disciplinary action will be irrespective of action that may be taken by SEBI under the Regulations.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 2015