

GHANSHYAM SHARES & STOCK **BROKERS PVT. LTD**

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR **EMPLOYEES OF GHANSHYAM SHARES & STOCK BROKERS PVT. LTD.**

Departments and persons for whom restrictions for buying and selling of securities is applicable:

All Back office employees

Departments and persons for whom restrictions for buying and selling of securities is not applicable

Directors of the company

Relatives of directors

Arbitrage Dept.

Do's

Compliance Officer:

- Set up policies and procedures
- Monitor adherence to the rules for the preservation of "Price Sensitive Information"
- Pre-clearing of all designated employees and their dependents trades • Monitoring of trades and the implementation of the code of conduct under the overall supervision of the Managing Director.
- Assist all the employees /directors in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's code of conduct. • Maintain a record of the designated employees and any changes made in the list of designated employees
- Maintain records of all the declarations given by the directors/ designated employees for a minimum period of three years.
- Place before the committee notified by the Company, every quarter all the details of the dealing in the securities by applicable person along with all necessary documents.
- To report to SEBI any violation of these Regulations.

For ALL Employees

- Maintain the confidentiality of all Price Sensitive Information. (Price sensitive information in our business will be unexecuted order for bulk trades of Clients/Institutions, any information acquired during the course of conducting research which may not be available to general public and any information acquired during the course of business which otherwise would not have been available to general public)

For Applicable Persons

- In exceptional circumstances confidential information can be given to non applicable person on the basis of "need to know" criteria, under intimation to the compliance officer.
- To transact in securities of Restricted / Grey listed securities only after pre clearance from compliance officer in case of transaction value is Rs.10 Lakh or more or the number of securities is 25000 or more. This will include even to IPO's
- Transact within a span of one week of clearance
- Get fresh clearance in case of failing to transact within one week of earlier sanction.

Don'ts For Applicable Person

- Not to communicate any Price Sensitive Information to any non-applicable person.
- Not to use Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their relative's account, Company's account or a client's account. (Relative to include self, spouse, dependant children and their spouses, dependant parents, dependant grand parents, dependant brothers, sisters and their spouses)
- Not to pass on such information directly or indirectly by way of making a recommendation for the purchase or sale of securities.

Code of Conduct for Prevention of Insider Trading for Ghanshyam Shares & Stock Brokers Pvt. Ltd. (GSSBPL) Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992

1.0 Compliance Officer

1. Ghanshyam Shares & Stock Brokers Pvt. Ltd. shall have a Compliance Officer who shall be responsible for setting forth policies and procedures and monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of all designated employees and their dependents trades (directly or through respective department heads as decided by the Company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Managing Director.
2. The compliance officer shall also assist all the employees /directors in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's code of conduct.
3. The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

2.0 Preservation of "Price Sensitive Information"

2.1 Employees /directors shall maintain the confidentiality of all Price Sensitive Information. Employees /directors must not pass on such information directly or indirectly by way of making a recommendation for the purchase or sale of securities. **2.2**

Need to know

1. Price Sensitive Information is to be handled on a "need to know" basis, i.e. 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.

2.3 Limited access to confidential information

1. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc.

3.0 Prevention of misuse of Price Sensitive Information

Employees /directors shall not use Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their relative's account, Company's account or a client's account.

4.0 Penalty for contravention of code of conduct

1. Any employee / director who trades in securities or communicates any information or counsels any person trading in securities, in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
2. Employees / directors of the Company who violate the code of conduct may also be subject to disciplinary action by the company, which may include wage freeze, suspension, etc.
3. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

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

In case it is observed by the Company compliance officer that there has been a violation of these Regulations, the Company shall inform SEBI.

Code of Conduct for prevention of Insider Trading as prescribed by SEBI (Prohibition of Insider Trading) Regulations, 1992**Introduction:**

SEBI has amended, with effect from 20/02/2002 the SEBI (Insider Trading) Regulations, 1992. The new Regulations are now called SEBI (Prohibition of Insider Trading) Regulations, 1992

The regulations seek to govern the conduct of the Insiders, connected persons and persons deemed to be connected persons on matters relating to Insider Trading. It also requires all listed Companies and other specified entities including intermediaries to set up an appropriate mechanism and to frame and enforce a code of conduct and internal procedures

prescribing various disclosures of interest or holding to be made by Directors, officers and substantial shareholders in the listed Companies.

Objective:

1. The objective of the Regulations is to prevent insider trading by prohibiting dealing, communicating or counseling on matters relating to insider trading. 2. It further provides that no insider shall –
 - (i) Either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information, or
 - (ii) Communicate, counsel or procure, directly or indirectly, unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities. Such restriction shall not be applicable to any communication required in the ordinary course of business or under any law.
3. It also provides that no company shall deal in the securities of another company or associate of that other company while in possession of any unpublished price sensitive information.

What is Insider Trading?

Insider Trading is the buying or selling or dealing in the securities of a listed company by a director, member of management, an employee of the firm or by any other person such as internal and statutory auditor, agent, advisor, analyst, consultant, etc. who has knowledge of material, 'inside' information to profit at the expense of other investors who do not have access to the same information. The prices of most securities reflect the available public information about those companies. Hence, any investor who acts on non-public information does so at the cost of public confidence in the securities market and in the process he corrupts the 'level playing field'.

Who is required to frame the code/ Applicability of these

Regulations? 1. All listed companies and

2. All organizations associated with securities markets including:

- a. The intermediaries as mentioned in section 12 of the Act, asset management company and trustees of mutual funds;
- b. The self regulatory organizations recognized or authorized by the Board;
- c. The recognized stock exchanges and clearing house or corporations; d. The public financial institutions as defined in Section 4A of the Companies Act, 1956; and
- e. The professional firms such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising listed companies, Certain Important Definitions "Insider" means any person who, is or was connected with the company or is deemed to have been connected with the company, and who is

reasonably expected to have access, by virtue of such connection, to unpublished price sensitive information in respect of securities of the company, or who has received or has had access to such unpublished price sensitive information;

"Connected person" means any person who-

(i) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 (1 of 1956) of a company, or is deemed to be a director of that company by virtue of sub clause (10) Of section 307 of that Act

or

(ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company;

"Dealing in securities" means an act of buying, selling or agreeing to buy, sell or deal in any securities by any person either as principal or agent; "officer of a company" means any person as defined in clause (30) of section 2 of the Companies Act, 1956 (1 of 1956) including an auditor of the company;

"Person is deemed to be a connected person" if such person-

(i) is a company under the same management or group or any subsidiary company there of within the meaning of section (1B) of section 370, or sub-section (11) of section 372, of the Companies Act, 1956 (1 of 1956) or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) as the case may be; or

(ii) is an official or a member of a stock exchange or of a clearing house of that stock exchange, or a dealer in securities within the meaning of clause (c) of section 2, and section 17 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) respectively or any employee of such member or dealer of a stock- exchange; or

(iii) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub- broker, Investment Company or an employee thereof, or, is a member of the 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 who have a fiduciary relationship with the company;

or

(iv) is 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;

or

(v) is an official or an employee of a self Regulatory Organization recognized or authorized by the Board of a regulatory body; or

- (vi) is a relative of any of the aforementioned persons; (vii) is a banker of the company.
- (viii) (i) relatives of the connected person;
- (ii) a concern, firm, trust, Hindu Undivided Family, Company, Association of Persons wherein the relatives of persons mentioned in sub-clauses (vi), (vii) and (viii) has more than 10% of the holding or interest."

"Unpublished price sensitive information" means any information which relates to the following matters or is of concern, directly or indirectly, to a company, and is not generally known or published by such company for general information, but which if published or known, is likely to materially affect the price of securities of that company in the market -

- (i) Financial results (both half-yearly and annual) of the company; (ii) Intended declaration of dividends (both interim and final);
- (iii) Issue of shares by way of public rights, bonus, etc.;
- (iv) Any major expansion plans or execution of new projects;
- (v) Amalgamation, mergers and take-over;
- (vi) Disposal of the whole or substantially the whole of the undertaking; (vii) Such other information as may affect the earnings of the company. (viii) Any changes in policies, plans or operations of the company. (ix) "relative" means a person, as defined in section 6 of the Companies Act, 1956 (1 of 1956). as follows:

“A person shall be deemed to be a relative of another, if and only if:

- a) they are members of a Hindu undivided family; or
- b) they are husband and wife; or
- c) the one is related to the other in the manner indicated in Schedule IA.

SCHEDULE I -A OF THE COMPANIES ACT, 1956.

- 1) FATHER
- 2) MOTHER (Including Step Mother)
- 3) SON (Including Step Son)
- 4) SON'S WIFE
- 5) DAUGHTER (Including Step-Daughter) 6) FATHER'S FATHER
- 7) FATHER'S MOTHER
- 8) MOTHER'S MOTHER
- 9) MOTHER'S FATHER
- 10) SON'S SON
- 11) SON'S SON'S WIFE 12) SON'S DAUGHTER
- 13) SONS' DAUGHTER'S HUSBAND
- 14) DAUGHTER'S HUSBAND
- 15) DAUGHTER'S SON
- 16) DAUGHTER'S DAUGHTER

- 17) DAUGHTER'S SONS WIFE
- 18) DAUGHTER'S DAUGHTER'S HUSBAND
- 19) BROTHER (Including Step-Brother)
- 20) BROTHER'S WIFE
- 21) SISTER (Including Step-Sister)
- 22) SISTER'S HUSBAND