

AMOL FINANCIAL SERVICES PRIVATE LTD(NSE)

AMOL CAPITAL MARKETS PRIVATE LTD (BSE)

INSIDER TRADING POLICY

Code of Conduct for Prevention of Insider Trading

1.0 Compliance Officer

- 1.1 The organization has a Compliance officer reporting to the Chairman & Managing Director.
- 1.2 The Compliance Officer 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 organization), monitoring of trades and the implementation of the code of conduct under the overall supervision of the partners/proprietors.
- 1.3 The Compliance Officer shall also assist all the employees /directors in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and the organization/firm's code of conduct.
- 1.4.1 The policy shall be applicable to all employees of Amol Financial Services Pvt. Ltd.. and their immediate family members (dependent parents, spouses, dependent children and their spouses, dependent brothers and sisters and anyone who is financially dependent on the employee). **They must execute their securities transaction through the organisation or such other stockbroker that has been approved by the Management. Securities would include shares, scrips, stocks and such other securities as may be included by the Management and notified to the 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.

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

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3.0 Need to Know

- 3.1 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 organization 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.
- 3.2 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

4.0 Chinese Wall

- 4.1 To prevent the misuse of confidential information the organization shall adopt a "Chinese Wall" policy which separates those areas of the organization which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas".
- 4.2 The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.
- 4.3 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.

5.0 Prevention of Misuse of Price Sensitive Information

- 5.1 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, organization account or a client's account.

6.0 Pre clearance of Trades

- 6.1 All directors / designated employees of the organization who intend to deal in the securities of the company exceeding Rs. 50,000/- shall pre-clear the transactions as per the pre-dealing procedure as described hereunder:
 - 6.1.1 All transactions shall be done preferably through the in-house trading terminal. Accounts held with outside brokers, if any, shall be disclosed to the Compliance officer immediately in Form No. 4. Any new accounts opened with outside brokers shall be intimated to the Compliance Officer as soon as they are activated.
 - 6.1.2 An application may be made in Form no. 2, to the Compliance officer indicating the name and estimated number of securities that the designated employee / 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.

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- 6.1.3 An undertaking shall be executed in favour of the organization by such designated employee / directors incorporating, *inter alia*, the following clauses, as may be applicable:
- (i) That the designated employee / director does not have any access or has not received any "Price Sensitive Information" upto the time of signing the undertaking.
 - (ii) That in case the designated employee / director 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 client company till the time such information becomes public
 - (iii) That he / she has not contravened the code of conduct for prevention of insider trading as specified by the organization / firm from time to time.
 - (iv) That he / she has made a full and true disclosure in the matter
- 6.1.4 The pre-clearance will be valid for a period of three business days. If the order is not executed within three business days after approval is given, the employee / director must pre clear the transaction again. **Verbal pre-clearances are not valid.**

7.0 Grey List

- 7.1 In order to monitor Chinese wall procedures and trading in client securities based on inside information, the organization shall restrict trading in certain securities and designate such list as grey list.
- 7.2 Security of a listed company shall be put on the grey list if the organization 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.
- 7.3 Any security which is being purchased or sold or is being considered for purchase or sale by the organization on behalf of its clients / schemes of mutual funds, etc. shall be put on the grey list.
- 7.4 A separate grey list for the CMD and the Equity Analysts will be there wherein those scrips will be listed, where the team of CMD and the Equity Analysts are proposing to carry on an assignment on such company/investment argument/presentation to clients, etc. However, the list maintained for the organization will also be applicable to the employees of CMD and Analysts.
- 7.5 As the grey list itself is highly confidential information it shall not be communicated directly or indirectly to anyone outside or within the organization. The Grey list shall be maintained by Compliance Officer and Chairman & Managing Director or any other person as may be authorised by Managing Director in writing.
- 7.6 When any securities are on the Grey List, trading in these securities by designated employees/directors may be blocked or may be disallowed at the time of pre-clearance.

8.0 Other Restrictions

- 8.1 All directors / designated employees shall hold their investments for a minimum period of 30 calendar days. (T+30). Holding period shall apply to purchases in the primary market (IPOs) also. In the case of IPOs, the holding period shall commence when the securities are actually allotted.
- 8.2.1 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.
- 8.3 Analysts, if any, employed with the organization / firm while preparing research reports of a client company(s) shall disclose their share holdings/ interest in such company(s) within 3 days of commencement of such reports/visits to the Compliance Officer.
- 8.4.1 All the employees of the Capital Market Division and Analysts who prepare research report of a listed company shall not trade in securities of that company for a period of thirty calendar days from the preparation of such report.
- 8.4.2 Traders not to involve in front running i.e., if client is making a deal to purchase or sell any securities, then the trader cannot make a deal for himself for the same securities.
- 8.4.3 Employees will not be allowed to trade in different directions in the same settlement (i.e. an employee cannot sell and buy the same stock in a settlement).
- 8.7 Employees may not knowingly give priority to transactions in employee accounts over client transactions. For example, an employee receiving a client order, or otherwise aware of a client order, may not use such information when placing an order in any of the employee accounts that is the same as the client order until the client order has been entered and worked. Additionally, any Salesperson's transactions counter opposite to advice given by the Salesperson to customers should be discussed with Equity Trading Head prior to order entry so as to prevent any appearance of a conflict of interest.
- 8.8 Employees cannot trade in the scrip for 24 hours after the publication of a research report which is prepared by the CMD Analysts.

9.0 Reporting Requirements for Transactions in Securities

- 9.1 All directors / designated employees of the organization shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the organization) to the Compliance officer:-
- (a) all holdings in securities by directors / designated employees at the time of joining the organization.
 - (b) quarterly statement of any transactions in securities (the periodicity of reporting may be changed by the firm or organization). The organization / firm may also be free to decide whether reporting is required for trades where pre-clearance is also required.
 - (c) annual statement of all holdings in securities in **Form No.3**
- 9.2 All employees other than Directors / Designated Employees shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the organization) to the Compliance officer:-
- (a) all holdings in securities by directors / designated employees at the time of joining the organization.
 - (b) quarterly statement of any transactions in securities (the periodicity of reporting may be changed by the firm or organization). The organization / firm may also be free to decide whether reporting is required for trades where pre-clearance is also required.
 - (c) annual statement of all holdings in securities in **Form No.3**

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- 9.3 The Compliance officer shall maintain records of all the declarations given by the directors / designated employees in the appropriate form for a minimum period of three years.
- 9.4 The Compliance Officer shall place before the Board of Directors in its every meeting all the details of the dealing in the securities by designated employees / directors of the organization and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

10.0 Penalty for Contravention of Code of Conduct

- 10.1 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 organization.
- 10.2 Employees / directors of the organization who violate the code of conduct may also be subject to disciplinary action by the company, which may include wage freeze, suspension, etc
- 10.3 The action by the organization shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.

11.0 Information to SEBI in Case of Violation of SEBI (Prohibition of Insider Trading) Regulations

- 11.1 The employee must adhere to the SEBI imposed Insider Trading Rules. Management reserves the right to call for any documentary evidence of the transactions of any of the employees as and when required.
- 11.2.1 In case it is observed by the compliance officer that there has been a violation of these Regulations, SEBI shall be informed by the organization.

In case of proxy trading, employee shall be liable to be prosecuted/punished by the Company without prejudice to action taken by SEBI in this regard.

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